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Region: Trends, factors, impacts**

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Abstract

This paper provides a comprehensive assessment of international migration in the Asia-Pacific region and reviews internal migration in China. After putting Asia-Pacific migration in a global context, it reviews trends in migration and the impacts of migrants in the major migrant-receiving countries, patterns of migration and their development impacts in migrant-sending countries, the human development impacts of migration, and three policy issues, viz, new seasonal worker programs for Pacific Islanders in New Zealand and Australia, required local sponsorship of foreigners in the Gulf countries, and the economic effects of migrants in the US and Thailand. Recent trends in internal migration in China, which shares attributes of international migration because of the hukou (household registration) system, are also assessed.

Keywords: International labor migration, migrant workers, guest workers, Asia.

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Asia-Pacific Migration in a Global Perspective

This section puts migration in the Asia-Pacific region in a global context and explores the major reasons why migration in the region is likely to increase before it decreases. The major points include:

- Asia is different in both perception and reality. One perception is that, just as some Asian countries managed to achieve very rapid economic growth, some may succeed in managing labor migration more successfully than governments in other parts of the world;
- Policies of migrant-receiving countries vary significantly, with the triangle of policies framed by Singapore's welcome the skilled and rotate the low-skilled, Japan's largely closed doors to low-skilled foreign workers, and the dependence of Gulf oil exporters on migrants to fill 90 percent of private-sector jobs;
- Policies of migrant-sending countries are more similar, with many governments aiming to send more skilled workers to destinations inside and outside Asia and to measure the development impacts of migration using the single indicator of remittances.

The Asia-Pacific region, home to almost 60 percent of the world's people, is unusual in dealing with migration in three major respects. First, there is a widespread sense inside and outside the region that Asia is different. There are many reasons, including the Asian economic miracle that catapulted several countries from poorer to richer in a relatively short time (World Bank, 1993).¹ This economic success may encourage some Asian leaders to believe that they can achieve another success in managing internal and international labor migration to achieve goals that include protecting migrants and local workers, enhancing cooperation between governments in labor-sending and –receiving areas to better manage migration, and ensuring that migration promotes development in labor-sending areas.

Second, there is more diversity in national labor migration policies than in national economic policies. The policy extremes can be approximated by a triangle. Singapore lies at one corner,

¹ The East Asian economic miracle stands in sharp contrast to the lack of similar African and Latin American investment- and export-led growth success stories.

welcoming professionals to settle with their families while rotating less-skilled foreign workers in and out of the country. Japan lies at another corner, allowing but not recruiting foreign professionals and preferring ethnic Japanese from Latin America as well as foreign trainees, students, and unauthorized workers to guest workers with full labor market rights. The Gulf Cooperation Council countries represent a third corner, relying on migrants for over 90 percent of private-sector workers, requiring migrants to have citizen-sponsors, and recently announcing policies to cooperate with migrant-sending countries to assure returns. The contrast between the similar investment-intensive and export-led economic policies of East and Southeast Asian nations, and the dis-similar labor migration policies, is striking.

Third, there appears to be convergence in the migration policies of labor-sending governments in the region. Most want to send more workers abroad, to increase the share of skilled workers among migrants, and to diversify the destinations of migrants to include more European and North American destinations. To achieve these marketing, up skilling, and diversification goals, many Asian governments have established ministries or agencies to promote and protect migrants, with promotion accomplished by ministerial visits and protection via regulation of private-sector recruiters and pre-departure reviews of the contracts they offer to migrants.² The evolving migrant promotion and protection infrastructure often assumes that development is a natural or inevitable outgrowth of sending more workers abroad, so that remittances can serve as the major indicator of migration's development impacts. This may not be true.

In 2005, Asian nations had about 48 million migrants, or a quarter of the 191-million strong migrant stock. The number of migrants in East Asia doubled between 1975 and 2005 to 6.5 million, but East Asia accounts for less than 15 percent of Asia's migrants. The number of migrants declined in south-central Asia, largely because of the shrinking number of persons resettled after wars for independence on the Indian subcontinent, and rose slower in southeast Asia than in East Asia. The most rapid growth in migrants has been in Western Asia, where the migrant stock almost doubled between 1970 and 1980, doubled again between 1980 and 1995, and increased by 40 percent in the past decade. In 2005, almost half of the international migrants in Asia were in Western Asia, which includes the Gulf oil exporters.

² Despite the desires of many labor-sending countries, relatively few Asian migrants move under the terms of bilateral agreements and MOUs.

Table 1. International Migrant Stock, Asia and World, 1960-2005 (Mils)

International Migrant Stock, Asia and World, 1960-2005										
	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005
Asia	28.5	28.2	27.8	28.0	32.1	37.2	41.9	40.4	44.4	48.1
Eastern Asia	2.7	2.8	2.9	3.3	3.8	4.0	4.3	5.0	5.7	6.5
South-central Asia	18.4	17.7	16.9	16.1	16.6	18.6	19.7	15.6	15.0	13.2
Southeast Asia	3.6	3.3	3.5	2.9	3.0	2.9	3.0	3.5	4.8	5.7
Western Asia	3.8	4.4	4.5	5.8	8.8	11.7	14.9	16.3	19.0	22.7
World	75.5	78.4	81.3	86.8	99.3	111.0	154.9	165.1	176.7	190.6
More Developed	32.3	35.4	38.4	42.5	47.5	53.6	90.4	101.7	110.9	120.6
Less Developed	43.1	43.0	43.0	44.3	51.8	57.4	64.6	63.4	65.9	70.0
Asian Share	38%	36%	34%	32%	32%	34%	27%	24%	25%	25%

Source: UN Population Division, DESA. POP/DB/MIG/Rev.2005

The Pacific region or Oceania has a higher share of migrants among residents. Migrants were 15 percent of residents in 2005, the highest migrant share among regions—North America was second at 13 percent. In Micronesia, 24 percent of residents were migrants in 2005, followed by 20 percent in Australia and New Zealand.

Why People Migrate

International migration is usually a carefully considered individual or family decision. The major reasons to migrate to another country can be grouped into two categories: economic and noneconomic, while the factors that encourage a migrant to actually cross borders fall into three categories: demand-pull, supply-push, and networks. An economic migrant may be encouraged to move by employer recruitment of guest workers, demand-pull, while migrants crossing borders for economic reasons may be moving to escape unemployment or low wages, supply-push factors.

These factors are listed in the table below. A worker in rural Indonesia may decide to migrate to Malaysia because a friend or relative tells him of a job, highlighting the availability of higher wage jobs as a demand-pull factor. The worker may not have a regular job at home or face debts from a family member's medical emergency, examples of supply-push factors that encourage emigration. Networks encompass everything from moneylenders who provide the funds needed to pay a smuggler to employers or friends and relatives at the destination who help migrants to find jobs and places to live.

Table 2. Factors Influencing Migration

Factors Encouraging an Individual to Migrate

Type of Migrant	Demand-Pull	Supply-Push	Network/Other
Economic	Labor recruitment, e.g. guest workers	Un- or under-employment; low wages; e.g., farmers whose crops fail	Job and wage information flows; e.g., sons following fathers
Non-Economic	Family unification; e.g., family members join spouse	Flee war and persecution; e.g., displaced persons and refugees/asylum seekers	Communications; transportation; Assistance organizations; Desire for new experience/adventure;

These examples are illustrative. Individuals contemplating migration may be encouraged to move by all three factors. The importance of pull, push, and network factors can change over time.

Demand-pull, supply-push, and network factors rarely have equal weights in an individual migration decision, and their weights can change over time. Generally, demand-pull and supply-push factors are strongest at the beginnings of a migration flow, and network factors become more important as migration streams mature.

The first migrant workers are often recruited by employers, and their presence is approved or tolerated by governments. The demonstration effect of some migrants returning to their areas of origin with savings can prompt more people to seek foreign jobs. Network factors ranging from friends and relatives settled abroad to the expectation that especially young men and women are

expected to seek opportunity abroad can sustain labor migration between poorer and richer areas within and between countries.

Migration is often considered an investment with costs now and benefits later. Migrants move when the present value of the expected benefits of higher wages in the destination area exceeds the costs, which include the costs of moving, perhaps unemployment in the destination, and the costs of separation from family (Todaro, 1969). Once migrants are established abroad, they sometimes want their families to join them, which is why family unification is the most important non-economic motivation for crossing national borders. Nautical metaphors are often used to explain how an anchor migrant may be a demand-pull factor for family migration, and the immediate family may be followed by parents and brothers and sisters in so-called chain migration.

Some migrants cross national borders to escape political persecution at home. The 1951 Geneva Convention defines a refugee as a person outside his or her country of citizenship who does not want to return “owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion.” Countries that sign the Geneva Convention pledge not to “refuel” or return those recognized as refugees to places where they could be persecuted. (www.unhcr.org/basics/BASICS/3b0280294.html)

Most of the world’s 9.9 million refugees in 2006 fled to neighboring countries, where governments or UNHCR may provide temporary assistance. Some of those living in refugee camps are resettled in third countries as immigrants to begin their lives anew. Other foreigners travel directly to the country in which they would like to resettle and request asylum, that is, they asked to be recognized as refugees and given an immigrant status.

Most refugees are from developing countries and move to other developing countries, while most asylum seekers are from developing countries and move to industrial countries. In 2006, Pakistan and Iran were host to about 20 percent of the world’s refugees, most of whom were Afghanis, the top refugee-producing country. The United States was the third leading host of refugees, and the top five refugee-hosting countries had 40 percent of the total. The major sources of refugees

were Afghanistan and Iraq, a third of the total, followed by Sudan, Somalia, and Congo; these five countries produced over half of the world's refugees.

Table 3. Refugees and Asylum Seekers in 2006

Refugees and Asylum Seekers in 2006

Top 5 Host Countries	Number	Top 5 Origin	Number
Pakistan	1,044,462	Afghanistan	2,017,519
Iran	968,370	Iraq	1,450,905
United States	843,498	Sudan	686,311
Germany	605,406	Somalia	464,253
Jordan	500,229	Congo	401,914
Subtotal	3,961,965	Subtotal	5,020,902
Total	9,877,077	Total	9,877,077
Top 5 share	40%		51%
Asylum Seekers (pending cases)			
Host Countries	Number	Origin Countries	Number
South Africa	131,107	Iraq	46,913
United States	124,223	Congo	31,728
Germany	52,807	El Salvador	28,783
Austria	42,396	Myanmar	26,307
France	39,571	Colombia	21,923
Subtotal	390,104	Subtotal	155,654
Total	740,165	Total	740,165
Top 5 share	53%	Top 5 share	21%

Source: www.unhcr.org/statistics.html

2006 Global Trends: Refugees, Asylum-seekers, Returnees, Internally Displaced and Stateless Persons

The sources of asylum seekers are more diverse. Only two of the five major-refugee producing countries were among the top five countries of origin for asylum seekers with pending cases in 2006 (Iraq and Congo), and the top five asylum-origin countries accounted for only a fifth of the asylum seekers. It should be noted that in most industrial countries, fewer than a quarter of asylum seekers are recognized as refugees in need of protection, but more are allowed to remain because it is difficult to return them to their countries of origin, such as asylum seekers from Somalia.

Globalization, Differences and Migration

People move between areas to take advantage of differences—people move from colder to warmer climates, and from areas with lower wages to areas with higher wages. Globalization has increased linkages between countries, and made more people aware of differences between them.

Capital and goods also flow between countries, and their growth has led to international and regional bodies to set rules for trade and investment. However, people are different from money and goods, and managing their entry and stay is a core attribute of national sovereignty. International movements of people are not governed by a comprehensive global migration regime and, with a few exceptions, by regional migration agreements. Most nation states do not welcome newcomers as immigrants, but almost all countries that are richer than their neighbors have guest worker programs that allow local employers to recruit and employ foreign workers. Many also have significant numbers of unauthorized or irregular migrants.

Most of the world's people, and most population growth, occurs in developing countries. The world's population, which reached 6 billion in October 1999, is growing by 1.2 percent or 80 million a year, with 97 percent of the growth in developing countries.³ In the past, significant demographic differences between areas sometimes resulted in large-scale migration. For example, Europe had 21 percent of the world's almost one billion residents in 1800 and the Americas four percent. When there were five Europeans for every American, millions of Europeans emigrated to North and South America in search of economic opportunity as well as religious and political freedom.

Table 4. World Population by Continent, 1800, 2000, 2050 (Percent shares)

World Population by Continent, 1800, 2000, 2050 (Percent shares)

	1800	1999	2050*
World (mils)	978	5,978	8,909
Africa (%)	11	13	20

³ The average woman in developing countries has 3.5 children (excluding China), versus 1.5 children per woman in developed countries. According to the Population Reference Bureau (www.prb.org), the world's fastest growing population is in Gaza, where the population growth rate is 4.5 percent a year, and the fastest shrinking population is in Russia, where the population is declining by 0.5 percent a year.

Asia	65	61	59
Europe	21	12	7
Latin America & Caribbean	3	9	9
Northern America	1	5	4
Oceania	0	1	1

Source: UN. 1999. The World at Six Billion, Table 2; *projected

Will history repeat itself? Africa and Europe have roughly equal populations today, but by 2050, Africa is projected to have three times more residents. If Africa remains poorer than Europe, the diverging demographic trajectories of these two continents may propel young people from overcrowded cities such as Cairo and Lagos to Berlin and Rome.

The Africa-Europe connection reflects demographic differences between continents. In the Asia-Pacific region, there are also demographic differences between countries within the region that may prompt more migration. Asia includes population giants such as China and India, which together have almost 40 percent of the world's people, and population dwarfs such as the Pacific islands of Nauru and Tuvalu with fewer than 10,000 residents. Some of the world's highest fertility rates are in the Gulf states, while Japan and Korea have some of the lowest fertility rates, raising questions about whether migration will serve as an equilibrating force for stark demographic differences.

The economic differences that encourage international migration have two dimensions, one fostered by inequality between countries and the other by inequality within countries. The world's almost 200 nation states have per capita incomes that range from less than \$250 per person per year to more than \$50,000, a difference that provides a significant incentive for especially young people to migrate for higher wages and more opportunities.⁴ The 30 high-income countries had a billion residents in 2005, a sixth of the world's population, and their gross national income was \$36 trillion, 80 percent of the global \$45 trillion.⁵

⁴ Young people are most likely to move over borders because they have the least invested in jobs and careers at home and the most time to recoup their "investment in migration" abroad.

⁵ Average per capita was \$7,000 per person. At purchasing power parity, which takes into account national differences in the cost of living, the world's gross national income was \$56 trillion or \$9,400 per capita--\$32,500 per capita in the high-income countries and \$5,200 in low and middle-income countries.

The resulting average per capita income of \$35,000 in high-income countries was 21 times the average \$1,750 in low and middle-income countries. Despite rapid economic growth in some developing countries, including East Asian “Tigers” in the 1990s and China and India more recently, the 20-1 ratio in per capita incomes between high-income and other countries rose between 1975 and 2000 and shrank only marginally since then. Average per capita incomes were 61 times higher in 2005 in high-income than low-income countries, and 13 times higher in middle-income countries. Within Asia, the average per capita income of \$40,000 in Japan is 80 times the \$500 in Bangladesh.

Table 5. Global Migrants and Per Capita Income Gaps, 1975-2005

	Migrants World		Migrants Annual	increase	Countries grouped				
	Pop	Pop			by per capita	GDP	Ratio	Ratio	
	millions	billions	World	millions	Low	Middle	High	High-low	High-Mid
1975	85	4.1	2.1%	1	150	750	6,200	41	8
1985	105	4.8	2.2%	2	270	1,290	11,810	44	9
1990	154	5.3	2.9%	10	350	2,220	19,590	56	9
1995	164	5.7	2.9%	2	430	2,390	24,930	58	10
2000	175	6.1	2.9%	2	420	1,970	27,510	66	14
2005	191	6.4	3.0%	3	580	2,640	35,131	61	13

Sources: UN Population Division and World Bank Development Indicators; 1975 income data are 1976

The 1990 migrant stock was raised from 120 million to 154 million, largely to reflect the break-up of the USSR

2005 data are gross national income

These economic inequalities provide a powerful incentive for especially young people to move across national borders from lower to higher wage countries. Indeed, some argue that the best route to upward mobility for individuals is a work visa that enables migrants to cross national borders in search of higher wages (Clemens, 2008).

International migration is likely to remain an option available to only a few workers. The world’s labor force of 3.1 billion in 2005 included 600 million workers in the high-income countries and

2.5 billion in the lower income countries. Almost all labor force growth is in lower income countries: their labor force is projected to increase by almost 600 million between 2000 and 2015, while the labor force in high-income countries is projected to remain stable at just over 600 million. With projected labor force growth in developing countries about equal to the size of the labor force in industrial countries, migration from developing to industrial countries is likely to be an option for relatively few developing country workers.

Table 6. World, DC, LDC Economically Active Pop (EAP) 1980-2020 (000)

	1980	1985	1990	1995	2000
World EAP	1,929,556	2,160,150	2,405,619	2,604,941	2,818,456
More Dev EAP	522,683	544,271	568,832	573,626	589,151
Less Dev EAP	1,406,873	1,615,879	1,836,787	2,031,315	2,229,305
	2005	2010	2015	2020	
World EAP	3,050,420	3,279,373	3,481,270	3,651,283	
More Dev EAP	604,521	613,388	611,392	602,977	
Less Dev EAP	2,445,899	2,665,986	2,869,878	3,048,307	
Change	1980-90	1990-00	2000-10	2010-20	
World EAP	25%	21%	17%	17%	
More Dev EAP	9%	5%	4%	5%	
Less Dev EAP	31%	26%	21%	20%	

Source: ILO Laborite, <http://laborsta.ilo.org/>

In lower income countries, 40 percent of workers are employed in agriculture, a sector that is often taxed despite the fact that farmers and farm workers usually have lower than average incomes.⁶ With taxes helping to keep farm incomes less than nonfarm incomes, there is often rural-urban migration, one reason why the urban share of the world's population surpassed 50 percent for the first time in 2008.⁷

Industrial countries had "Great Migrations" off the land in the 1950s and 1960s, providing workers for expanding factories, fueling population growth in cities, and adding to emigration

⁶ Taxes are extracted from agriculture via monopoly input suppliers who sell seeds or fertilizers at high prices or via monopoly purchasers of farm commodities who buy from farmers at less-than-world prices and pocket the difference when the coffee or cocoa is exported. In the high-income countries, farmers' incomes are generally higher than those of non-farmers, in part because high-income countries transfer funds to producers of food and fiber.

⁷ UNFPA. 2007. State of the World's Population. www.unfpa.org/swp/2007/english/introduction.html

pressures. Similar Great Migrations are underway today in many Asian countries, including China and India, an internal migration examined in greater detail below.

Rural-urban migration has three implications for international migration. First, ex-farmers and farm workers are most likely to accept 3-D (dirty, dangerous, difficult) jobs inside their countries or abroad.⁸ Second, rural-urban migrants often make physical as well as cultural transitions, and many find the transition as easy abroad as at home, as when rural Indonesians find adapting to Kuala Lumpur as easy as navigating Jakarta. Third, rural-urban migrants get one step closer to the country's exits, since it is usually easiest to obtain visas and documents for legal migration in the cities, or to make arrangements for illegal migration.

Differences encourage migration, but it takes networks or links between areas to encourage people to move. Migration networks are a broad concept, and include communication factors that enable people to learn about opportunities abroad as well as the migration infrastructure that actually transports migrants over national borders and the rights regime that allows them to remain abroad. Migration networks have been shaped and strengthened by three revolutions of the past half century, in communications, transportation, and rights.

The communications revolution helps potential migrants to learn about opportunities abroad. The best information comes from migrants established abroad, since they can provide family and friends with information in an understandable context. Cheaper communications enable migrants to quickly transmit job information as well as advice on how to cross national borders to friends and relatives at home. For example, information about vacant jobs on Malaysian plantations may be received in rural Indonesia before it spreads to nearby Malaysian cities.⁹ Meanwhile, films and television programs depicting life in high-income countries may encourage especially young people to assume that the grass is greener abroad, or that migration will lead to economic betterment.¹⁰

⁸ This is evident in Chinese coastal cities, where internal rural-urban migrants fill 3-D jobs, and abroad, where Chinese migrants are employed in industries that range from services to sweatshops.

⁹ These farm worker recruitment networks are examined in Rural Migration News.
<http://migration.ucdavis.edu/rmn/index.php>

¹⁰ Even if migrants know that movies and TV shows portray exaggerated lifestyles, migrants who find themselves in slave-like conditions abroad sometimes say that they did not believe that things in rich countries could be "that bad."

The transportation revolution highlights the cost of travel today compared to mass migration a century or two ago. British migrants unable to pay one-way passage to North American colonies in the 18th century often indentured themselves, signing contracts that obliged them to work for three to six years for whoever met the ship and paid the captain. Transportation costs today are far less, typically less than \$2,500 to travel anywhere in the world legally, and \$1,000 to \$20,000 for unauthorized migration. Most studies suggest faster payback times for migrants today, so that even migrants who pay high recruitment or smuggling fees can usually repay them within two or three years.

The communications and transportation revolutions help migrants to learn about opportunities and to cross national borders, while the rights revolution affects their ability to stay abroad. After World War II, most industrial countries strengthened the constitutional and political rights of people within their borders to prevent a recurrence of fascism, and most granted social or economic rights to residents in their evolving welfare states without distinguishing citizens and migrants.

As migration increased in the 1990s, policy makers began to roll back especially socioeconomic rights for migrants in an effort to manage migration. For example, Germany included liberal asylum provisions into their postwar constitutions to avoid another situation in which refugees perished because other countries returned those fleeing persecution to Nazi Germany. In the early 1990s, over 1,000 foreigners a day were applying for asylum in Germany, and the government distributed them throughout the country and required local communities to provide them with housing and food. Over 90 percent were found to be not in need of protection, and there was a backlash that included attacks on foreigners (Martin, 2004a).

The German government responded in three ways. First, it required nationals of the countries of origin of asylum seekers such as Turkey to obtain visas, allowing pre-screening. Second, it imposed fines on airlines bringing foreigners to Germany without visas and other documents, making travel to Germany for potential asylum seekers more difficult. Third, Germany and other European Union countries agreed to make it difficult for foreigners from “safe” countries or who

transited through safe countries en route to Germany to apply for asylum.¹¹ In this way, the constitutional protection of asylum was maintained, but the number of asylum applicants was reduced by making it harder to apply.

The United States in the mid-1990s debated the cost of providing welfare or social assistance to legal and unauthorized migrants. The free-trade agreement NAFTA was expected to speed up economic and job growth in Mexico, reducing Mexico-US migration (Martin, 1993). Instead, Mexico-US migration surged during and after the early 1990s recession, prompting California voters to approve Proposition 187 in 1994 over the objections of almost all statewide political and opinion leaders.¹²

Proposition 187 led to a national debate over immigrant numbers and rights to social assistance. President Clinton and those who wanted to “end welfare as we know it” argued that the number of needy migrants should be reduced in order to maintain the access of legal immigrants to welfare benefits. However, employers and some migrant advocates argued that the better solution was to allow immigration to remain at high levels and reduce the access of needy immigrants to the social assistance that was fueling the backlash.¹³ Employers and their allies won, and immigration remained high while welfare benefits were curbed (Martin, 2004b).¹⁴

Balancing migrant numbers and migrant rights is a major challenge (Ruhs and Martin, 2008). Countries with the highest shares of migrants in their labor forces, such as the Gulf oil exporters, tend to extend few rights to migrants—it is very hard for a guest worker to win an immigrant status and naturalize in Saudi Arabia or the United Arab Emirates. Countries with fewer guest workers, such as Sweden and other countries that grant more rights to foreigners have relatively

¹¹ The goal is to prevent so-called asylum shopping, as when an asylum seeker from Turkey passes through Bulgaria and Romania en route to Germany and applies for asylum because conditions for asylum applicants and rates of recognition are better. Sylvie Da Lomba, 2004. *The Right to Seek Refugee Status in the European Union*. Intersentia.

¹² Proposition 187, approved by a 59-41 percent margin in November 1994, would have created a state-funded screening mechanism to ensure that unauthorized foreigners did not obtain state-funded services, including public school education. Its implementation was stopped by a federal judge, but some of its provisions were included in 1996 federal immigration reforms. See http://migration.ucdavis.edu/mn/more.php?id=492_0_2_0

¹³ Details of the three US laws enacted in 1996 are at Migration News. 1996. <http://migration.ucdavis.edu/> One provision that was eventually dropped from the final bill would have made legal immigrants deportable if they received more than 12 months of welfare benefits. In the late 1990s, the access of especially legal immigrants and children to some welfare benefits was restored.

¹⁴ Benefits to poor children and needy elderly immigrants were restored during the late 1990s economic boom.

few guest workers, in part because adherence to the equality norm makes migrant workers as expensive as local workers. The numbers-rights trade off is apparent in World Trade Organization GATS negotiations when some developing countries argue that migrant “service providers” should not have to earn the minimum wage in the destination country.

Major Migrant-Receiving Countries

This section explains migration patterns and policies in the major countries of the Asia-Pacific region receiving migrant workers. The major points include:

- Most Asian nations receiving migrants have policies that aim to prevent migrants from settling, most do not consider migration essential for economic growth, and most do not want immigrants to change their culture and identity.
- Migration policies in the major Asian receiving countries can be framed by a triangle, with countries such as Singapore welcoming foreign professionals to settle and rotating less-skilled foreign workers in and out of the country, Japan allowing the employment of foreign professionals but remaining largely closed to less-skilled foreign workers, and the Gulf countries dependent on migrants to fill most private sector jobs
- With migration restricted and considered temporary, there are few institutions developing data and long-term migration options or promoting regional dialogues to improve migration management

Migration from Asia to traditional immigration countries was largely blocked until mid-1960s, when policy reforms in Canada and the US eased entry for Asian professionals who were offered jobs by Canadian and US employers. These professionals usually arrived with their families, and most quickly climbed the economic ladder. Indeed, a US analysis found that the earnings of foreign-born men caught up to those of US-born men of the same age and education within 13 years, and thereafter exceeded the earnings of similar US-born men, suggesting that the extra

drive and ambition that prompts migration could expand the economy and raise average earnings (Chiswick, 1978).¹⁵

Asian migration to traditional immigration destinations for employment and family unification has turned Asian nations a major source of immigrants in Australia, Canada, New Zealand and the US. After the Vietnam War ended in 1975, a million Southeast Asian refugees were resettled in Canada and the United States, forging new migration networks that continue to add immigrants, mostly via family unification. With affluence, more Asian students are studying in traditional immigration destinations. Many remain to work, and some eventually settle and form or unite families.

Most international labor migration in Asia involves workers moving from one Asian nation to another for temporary employment. The first significant flows of workers in the Asia-Pacific region began after oil price hikes in 1973-74, when Gulf oil exporters turned to foreign contractors who hired foreign workers to build infrastructure projects such as roads and bridges. As the demand for labor shifted from construction to services, and from men to women, there were predictions that Arab migrants would replace Asians for language and cultural reasons (Birks and Sinclair, 1980). This did not happen. Indeed, despite efforts to “nationalize” Gulf work forces by prohibiting foreigners from filling some jobs, migrant workers, most from south and southeast Asia, continue to fill over 90 percent of private sector jobs in most Gulf Cooperation Council countries.

There is also migration from one nearby Asian country to another, as exemplified by Indonesian workers in Malaysia and Burmese in Thailand. Many of these migrants are unauthorized despite periodic legalizations. Policy in Malaysia and Thailand is in flux. The Malaysian government has several times announced plans to reduce the employment of migrants, while the Thai government devolved more responsibility for managing migration to provincial governments.

The only comparative data on migrant stocks by country over time is compiled by the United Nations (www.unmigration.org). The data in table below include foreigners in a country at least 12 months, and usually do not distinguish by legal status or purpose of migration. All countries

¹⁵ Borjas (1994) re-examined Chiswick’s findings and concluded they applied to the unique set of circumstances that accompanied the lifting of barriers to Asian immigration in the mid-1960s.

except South Korea had increases in their migrant stock between 2000 and 2005, and the South Korean data are suspect--the Ministry of Public Administration and Security reported 747,000 foreigners in 2005, but the UN reported only 551,000—the difference represents almost 200,000 irregular foreigners. Singapore and Japan recorded the sharpest rise in migrant stocks.

Table 7. Migrant Stock in East and Southeast Asia, 2000-05 (000)

	2000	2005	Change
East Asia	5,769	6,497	13%
China	513	596	16%
Hong Kong	2,701	2,999	11%
Japan	1,620	2,048	26%
South Korea	597	551	-8%
Southeast Asia			
Asia	4,126	5,664	37%
Malaysia	1,392	1,639	18%
Singapore	1,352	1,843	36%
Total	9,895	12,161	23%

Totals include migrants in countries with fewer than 500,000

Source: United Nations, 2006

Singapore, Hong Kong and Taiwan

The migration policies of the major Asian countries receiving migrants can be framed by a triangle. At one corner is Singapore, which welcomes foreign professionals and their families to settle but seeks to rotate less-skilled migrant workers in and out of the country. There were about 612,000 foreign workers in Singapore's labor force of 2.1 million in 2000, making migrants a third of the work force (Yoho, 2007). The share of foreigners in Singapore's work force has increased more than 10 fold since 1970, when it was three percent.

The Singapore government welcomes "foreign talent." These professionals, mostly from China, India, and Malaysia, may arrive in Singapore with their families, achieve permanent residence status after two years, and become naturalized citizens after two more years. Less-skilled migrants, on the other hand, may not bring their families, are subject to removal if they become pregnant, and do not earn an automatic right to settle in Singapore even by marrying a

Singaporean citizen. Employers of low-skilled migrants are subject to both dependency ceilings that regulate the mix of foreign and Singaporean workers and must pay a significant levy or tax on the wages paid to foreign workers.¹⁶

The government believes that foreign talent is essential to Singapore's growth and prosperity, and aims to entice Singaporeans abroad to return, to induce more foreign professionals to immigrate, and to raise fertility among more educated citizens. There are fears that the presence of "too many" foreign professionals may make it more difficult for local professionals to get ahead, prompting former prime minister Lee Kuan Yew to remind residents that their resource-poor country must compete on the basis of human capital. The government has expanded opportunities for foreign students to earn degrees in Singapore and remain after graduation. This makes foreign students probationary immigrants and shifts some of the competition between foreigners and natives from the labor market to local universities.

Hong Kong is another city-state with a welcome-the-skilled and rotate-the-unskilled migrant worker policy. As the financial and supply chain hub for southeastern China, the Hong Kong government has since 1999 allowed employers to hire foreigners with professional skills not available locally who are paid market wages (in the first decade, half of such migrants had PhDs). Foreign professionals may arrive with their families and receive permanent residence status after seven years.

Hong Kong, with seven million residents, is less welcoming toward low-skilled foreign workers, most of whom are domestic helpers from the Philippines and Indonesia. About 250,000 Hong Kong households have a foreign woman who provides child and elder care,¹⁷ but, unlike Singapore, Hong Kong has a minimum wage that requires domestic helpers to be paid at least HK\$3,580 dollars (\$460) a month in 2008; employers must also provide them with room and board.¹⁸ Between 2003 and 2008, employers had to pay a HK\$400 a month retraining levy to

¹⁶ Singapore does not have a minimum wage, so the employer-paid levy of up to S\$470 (\$310) a month for unskilled migrant construction workers can lower the earnings of foreign workers. Employers of foreign workers must also post a bond for each non-Malaysian foreign worker their hire.

¹⁷ In Hong Kong, the fertility rate is one, meaning that the average woman has one child in her lifetime; a third of women in their mid-40s have no children.

¹⁸ Beginning August 1, 2008, the HK\$400 a month levy that collects funds to retrain local workers was suspended as an inflation-fighting move. Wages and other rules for domestic helpers are on line at: <http://www.labour.gov.hk/eng/pub lic/wcp/FDHguide.pdf>

generate funds to retrain local workers(not for domestic helper jobs). Especially Filipino migrants in Hong Kong are well organized; they have organized protests against policies in the Philippines and in Hong Kong (www.unifil.org.hk).

Taiwan in October 1989 allowed the entry of foreign workers to help complete high-priority infrastructure projects, including highways and subways, and this so-called open-door policy resulted in 3,000 migrant workers in Taiwan in 1991. Migrant workers soon spread to factories and later to private households as caregivers for children¹⁹ and the elderly, and by 2000, there were 326,000 foreign workers, making them about 10 percent of all workers in low-skill jobs. Migrants are entitled to at least Taiwan's minimum wage of NT\$15,840 (\$480) a month in 2007, but employers may deduct up to NT\$4,000 a month for room and board, and most do.

Most of Taiwan's migrants are from Indonesia, the Philippines, Thailand, and Vietnam. The migrants often complain about the high fees they must pay to the brokers who arrange their employment. The maximum fee should be a month's wages for each year of a worker's contract, but many migrants report paying much more than eight percent—recruitment fees of 20 to 30 percent are common. Because of these fees, which are deducted from the migrant's pay, some migrants can earn more as unauthorized workers, so they “run away” from the employer to whom they have been assigned.

By 2008, the number of foreign workers in Taiwan hit a record of 373,000, and half were in service jobs, eliminating the “natural” end to their employment that was envisioned when migrants were seen as a temporary boost for priority infrastructure projects. The 125,000 Indonesians are the largest group of foreign workers, followed by 85,000 Filipinos, 82,000 Vietnamese, and 79,000 Thais. The government continues to worry about structural dependence on migrant workers, and the 2008-09 recession may provide a test of the theory that foreign workers can serve as a shock absorber that keeps local unemployment rates low.

¹⁹ Taiwan has one of the lowest fertility rates in the world, 1.1 in 2008 (www.prb.org).

Japan and Korea

Japan and South Korea are homogenous societies largely closed to foreigners. In both countries, foreign professionals and the descendents of past Japanese emigrants are employed for long periods, but in Japan most of the low-skilled jobs held by foreigners involve unauthorized foreigners, trainees, or students, not guest workers. Korea in 2004 began to replace foreign trainees paid less than the minimum wage with migrant workers entitled to the minimum wage, but still has a large number of unauthorized foreign workers.

Japan's 2005 census found two million foreign residents, 1.6 percent of the population. The foreigners included 600,000 Koreans, many of whom have been living in Japan for decades,²⁰ followed by 560,000 Chinese, 315,000 ethnic Japanese Brazilians and 195,000 Filipinos. The foreigners in the Japanese labor force include Koreans, descendants of Japanese who emigrated to South America and have returned to Japan, and foreign students and trainees. The trainees, most from China, usually have three-year contracts that tie them to a particular employer and initially pay workers half of the minimum wage.²¹

Filipina entertainers have dominated among legal foreign workers. Some 82,741 entertainer visas were issued to Filipina women in 2004, but only 8,606 in 2006, as the Japanese government responded to criticism that many of the entertainers became prostitutes. There were 21,054 unauthorized foreigners at the end of 2007, down sharply from 149,785 at the end of 2006.

Many Japanese leaders want the government to open doors wider to migrant workers, but most Japanese in opinion polls oppose especially low-skill immigration. Such foreigners, many of who overstay tourist and other visas in order to work in Japan, are often associated with crime, which

²⁰ Koreans in Japan in 1965 were allowed to become Japanese citizens, live as foreigners in Japan, or return to Korea—600,000 were living as foreigners in Japan in 2008.

²¹ Chinese trainees employed on Japanese farms typically earn \$775 a month for seven months, but pay \$2,700 of their \$5,425 earnings to the Chinese agency that places them in Japan. After a year as a trainee in Japan, foreign trainees are allowed to work for two additional years as workers entitled to the minimum wage. At a March 9, 2008 rally in Tokyo, the leader of the Zen-tootsu Workers Union said that many Chinese workers during years two and three earn 300 to 500 yen an hour (\$3 to \$5), less than the minimum wage of 630 yen an hour. The Chinese workers are considered "perma-temps" (permanently temporary), which means that they do not receive unemployment and health insurance.

is sometimes sensationalized in the press.²² Ex-Prime Minister Junichiro Koizumi expressed the feelings of many Japanese toward low-skilled foreigners in 2005 by saying: “Just because there is a labor shortage does not mean we should readily allow [migrants] to come in.” (quoted in Kashiwazaki and Akaha, 2006).

Low fertility means that without immigration, the population of Japan will shrink. There were 85 million Japanese aged 15 to 64 in 2005, but the working age population is projected to fall to 72 million by 2025. Japan has shifted much of its productive capacity abroad (an estimated 40 percent of the productive capacity of Japanese capital was outside the country in 2006), and is debating whether to open itself to front-door immigrants to stabilize the population and labor force, admit side-door guest workers who would be expected to leave after several years, or keep migration doors mostly closed and persuade Japanese workers to work longer and more productively. Then-Prime Minister Yasuo Fukuda in 2008 said that Japan “needs to work out a policy in order to actively accept increasing numbers of immigrants,” but he acknowledged that many Japanese associate foreigners with crime and fear that immigration would lead to social unrest.

The New York Times profiled Japanese-Brazilians near Toyota City, emphasizing that half of the residents of a 40-unit public housing complex with almost 9,000 residents were foreigners.²³ In the complex, Japanese-Brazilians adults rarely mix with local Japanese, and many Japanese-Brazilians children do not go to Japanese schools because of language difficulties—only a third of the 33,000 Japanese-Brazilian children between five and 14 in Japan are in Japanese public schools, and many in those schools are receiving remedial Japanese language instruction. Employed Japanese-Brazilians earn an average \$12 an hour at suppliers to Toyota; in one seat-belt factory, they are a quarter of the labor force. Employers consider the Japanese-Brazilians good workers, and say they could not operate without them.

In 1908, Japanese began emigrating to Brazil to work on coffee plantations around Sao Paulo, and today there are 1.5 million ethnic Japanese in Brazil, the largest Japanese community outside

²² Most of the 200,000 visa overstayers in 2008 were from the same countries as most of the foreigners living in Japan, Korea, China, and the Philippines. The Chinese seem to arouse the most fear. Norimitsu Onishi, “As Its Work Force Ages, Japan Needs and Fears Chinese Labor,” New York Times, August 15, 2008

²³ Norimitsu Onishi, “An Enclave of Brazilians Is Testing Insular Japan,” New York Times, November 2, 2008

Japan. Some 317,000 Japanese-Brazilians have moved to Japan since 1990, and most can live in Japan indefinitely.

Japanese-Brazilians report that their Japanese neighbors do not make them feel welcome, with shop owners sometimes following them around in stores to prevent shoplifting. Japanese sometimes move out of housing blocks as Japanese-Brazilians move in, and many Japanese-Brazilian children drop out of school. On the other hand, there are examples of Japanese and Japanese-Brazilians mixing in sports and school, but overall the experience with Japanese-Brazilians raises questions about the ability of Japan, as currently structured, to integrate foreigners.

Korea made one of the world's most rapid transitions from sending workers abroad to receiving migrant workers. The number of Koreans in Gulf Cooperation Council countries rose from 395 in 1974 to 162,000 in 1981, as the Korean government encouraged Korean construction firms to bid on contracts to provide jobs for Korean workers who were laid off as a result of the recession induced by higher oil prices in the mid-1970s. Korean workers earned \$750 a month for 48-hour weeks in the Gulf, and remitted \$1.4 billion in 1981 (Kapur and McHale, 2006, 175). The experience gained by Korean firms and workers in the Middle East was soon applied to large-scale infrastructure projects in Korea in the 1980s.

Economic growth turned Korea into a net importer of labor by the early 1990s. South Korea in 1991 allowed employers to bring foreigners to Korea as trainees—the theory was that they would apply their newly learned skills in Korean-owned factories abroad. However, small and mid-sized manufacturing firms offering so-called 3-D jobs—dirty, dangerous, and difficult found it hard to recruit Korean workers, and by 1993 the trainee program became a system for such firms to employ foreign workers in Korea who did not expect to be employed in Korean firms when they returned to their countries of origin. The trainee system expanded from manufacturing to construction and agriculture, and the number of trainees rose sharply.

The Korean government recognized that the employer-run trainee system was leading to abuse of workers and rising unauthorized migration. Many employers retained migrant workers' passports and withheld wages in an effort to discourage them from running away and earning more as

illegal workers, while other foreigners arrived as tourists and worked illegally. The government responded to the runaway issue in 2000 by allowing trainees who completed their training assignments to remain for one year as workers entitled to the minimum wage. However, the number of unauthorized foreigners continued to increase, from 189,000 in December 2000 to 255,000 a year later.²⁴

In July 2003, the Korean government decided to phase out the trainee system and replace it with the Employment Permit System. The EPS, administered by the government, began to admit foreigners as workers under bilateral agreements in 2004, and will be the major way foreign workers can be employed in Korea after 2010. Under the EPS, migrants are considered workers entitled to the minimum wage of 3,770 won (\$3.80) an hour in 2008,²⁵ and employers with at least 20 workers must offer EPS-migrants at least 40 hours of work a week. EPS-guest workers are covered by pension, health, employment and workers compensation programs.

Most Korean employers offer EPS migrants one-year contracts that can be renewed for another two years. After three years of Korean employment, guest workers are to leave Korea for at least a month before returning for a final three-year stint.²⁶ Migrants earn less than Koreans, reflecting the fact that they are employed in lower wage sectors.

The Korean government has signed agreements with 14 migrant-sending countries to regulate migrant worker selection and employment, including the Philippines, Thailand, Vietnam, Sri Lanka, Mongolia, China and Indonesia. In these countries, government agencies usually select, train, and deploy migrants, who must learn some Korean (at their own expense) before arriving.²⁷ Some 72,000 foreign workers were admitted under the MOUs in 2007, and most arrived in debt because of pre-departure costs.

Like Japan, Korea has a separate program for descendants of previous Korean emigrants, so-called ethnic Koreans (Kim, 2008). There are an estimated two million ethnic Koreans in China,

²⁴In 2002, imitating a similar program in Japan, the Korean government allowed foreigners with Korean ancestry, mainly Chinese Koreans, to be employed as workers in Korea.

²⁵The minimum wage is scheduled to rise to 4,000 won an hour in 2009.

²⁶A committee in July 2008 recommended that the maximum period of continuous guest worker employment be increased to five years.

²⁷The Korean government can and does adjust the Korean language requirement to influence the number of migrants admitted, e.g. raising the requirement to reduce entries.

most descended from people who fled Korea during Japanese occupation earlier in the 20th century. Ethnic Koreans in China who move legally to South Korea are given almost full rights, and some 300,000 were in Korea in 2008. Most fill 3-D jobs at the bottom of the job ladder but, because they speak Korean, ethnic Koreans are often preferred to southeast Asians in service jobs.

The Korean Ministry of Public Administration and Security reported 891,000 foreigners in South Korea in May 2008, up from 723,000 a year earlier. Almost 58 percent were Chinese, followed by 22 percent from Southeast Asia and four percent from South Asia. Foreigners are about 1.8 percent of the 49 million residents of South Korea, and half are migrant workers, including 438,000 legal guest workers and 58,000 irregular foreign workers. Another 144,000 foreigners are spouses of Koreans, and there were 58,000 children from international marriages in 2007.

Marriage migration is increasing rapidly in South Korea. The National Statistical Office reported that 11 percent of Korean marriages in 2007 involved a foreign spouse, and that 40 percent of Korean men employed in agriculture, forestry and fisheries²⁸ who married in 2007 took foreign wives, most of whom were from Vietnam, Cambodia and the Philippines.²⁹ Surveys of these foreign spouses, many of whom live on farms with their husband's relatives, find rates of abuse from 10 to 30 percent, and the children of Korean farmers and foreign wives often lag in education because their mothers do not speak Korean.

Gulf Cooperation Council

The Middle East, which stretches from Western Asia to North Africa, includes countries uniquely dependent at the two extremes of the labor migration spectrum, sending workers abroad and relying on migrant workers fill jobs. After oil prices rose in the 1970s, migrant workers were employed in the Gulf oil-exporting states to fill the jobs created by the spending of higher oil revenues on infrastructure. Some Middle East countries are uniquely dependent on remittances,

²⁸ Unlike most industrial countries, labor force participation in rural Korea rose during the 1970s and 1980s in order to compensate for the rural-urban migration of Korean youth and the lack of migrants and foreign spouses.

²⁹ Rural Korean men who marry foreign women often go on week-long marriage tours in the women's country of origin. Some of the abuse reportedly stems from suspicions that their brides agreed to marry and move to Korea only to earn money to remit to their families at home.

including Palestine, and others both send workers abroad and receive migrants, including Jordan and Lebanon.

The Gulf Cooperation Council countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates had 15 million foreigners among 40 million residents in 2008, including seven million foreigners among the 27 million residents of Saudi Arabia. Relatively few women work for wages in GCC countries, fertility is high, a third of the native-born population is under 18—as a result, labor forces often increase by over three percent a year. For example, in Saudi Arabia, the average woman has four children, 38 percent of the population is under 15, and the labor force is increasing rapidly.

GCC countries have had 30 to 40 percent foreign residents since 1975, with a range from a low of 20 percent in Oman to a high of over 80 percent in the UAE. Arabs fell from three-fourths of migrants in GCC states in 1975 to stabilize at a third after 1985. The Arabs include 1.5 million Egyptians, 900,000 Yemenis, 500,000 Palestinians and Jordanians, and perhaps 300,000 Sudanese. Kapiszewski (2006) explains the stable Arab share of migrants as reflecting the fears of governments that too many Arabs could be a security threat.³⁰ Asian workers have been cheaper than Arabs, most arrive without families and few settle.

The GCC countries have segmented economies and labor forces. Foreign- and native-born professionals operate the oil facilities that generate the region's wealth, native-born workers fill almost all government jobs, and foreign-born workers fill most private-sector jobs. Most oil-rich governments guarantee government jobs to natives, but rapid labor force growth may make this guaranteed-job policy unsustainable (Noland and Pack, 2007).

Saudi Arabia and other oil exporters have attempted to "nationalize" their work forces by restricting an ever-lengthening list of private-sector jobs to natives. So far, nationalization has not substituted natives for foreigners in many jobs, largely because native youth shun the private-sector jobs filled by migrants as requiring too much work for too little pay. However, Saudi deputy labor minister Abdulwahed Al-Humaid in November 2008 said that Saudization would continue, and pointed to the success of the policy by noting that more Saudis are filling retailing

³⁰Kapiszewski notes that some Arabs regard borders imposed by colonial powers as artificial and expect the emergence of a pan-Arab state to share oil wealth.

jobs. The Saudi government is building six new “economic cities” with the help of migrant workers that aim to employ Saudis in white-collar private sector jobs.

In GCC countries, foreigners must have local sponsors (kafala) to enter or leave the country. Most households are allowed to employ five or more migrants to fill household jobs ranging from domestic helper to gardener to driver. With sponsorships selling for \$1,000 or more in migrant-sending countries, some households sell sponsorships for non-existent jobs. In this way, migrants may go into debt and arrive in GCC countries to find they are unauthorized. Migrant advocates have been critical of GCC governments as well as migrant-sending governments for not doing enough to protect migrants from the abuses of the sponsorship system (Human Rights Watch, 2004, 2008).

Thailand and Mekong

Thailand sends about 130,000 workers abroad each year, while attracting several hundred thousand migrants from neighboring countries. Thais leaving for overseas jobs are mostly from the poorer northeastern parts of Thailand, and many work in construction and manufacturing in Israel, Japan, and Taiwan. The migrant workers arriving in Thailand are concentrated in the richest parts of the country, Bangkok and the south, as well as in the provinces bordering Burma.³¹

Thailand in 2006 had an estimated 1.8 million foreign workers, making them five percent of its work force. These migrants were concentrated by industry and occupation as well as geography, with most employed as laborers in agriculture and fisheries, construction, manufacturing such as garments, and domestic helpers. Thailand regulates migrant worker employment by requiring Thai employers to register the migrants they employ.

Thailand signed MOUs with Burma, Cambodia, and Laos in 2002-03 to improve the management of labor migration. This MOU approach has so far failed to discourage unauthorized migration from neighboring countries, largely because the MOU with Burma, which accounts for 75 percent of the migrants, has not yet been implemented. The MOUs with

³¹ This section is based on Martin (2003).

Cambodia and Laos, on the other hand, have led to sending-country government-imposed fees equivalent to 4-5 months wages in Thailand, far more than the cost of being smuggled into Thailand, about one month's Thai earnings.

Thailand made the transition from net labor exporter to importer in the mid-1990s. The number of Thai workers going abroad has been falling—148,600 left in 2004 and 129,000 in 2005—and more are going to OECD countries.³²

Table 8. Emigration of Thai Workers: 1997, 2001, 2005

Emigration of Thais, 1997, 2001, 2005

Destination	1997	2001	2005
Middle East	17,662	18,724	19,803
Israel	10,780	11,256	7,843
East Asia	114,976	100,550	63,718
Taiwan	100,910	90,358	53,881
ASEAN	49,011	36,237	35,979
Singapore	17,770	21,351	10,968
OECD & other	2,040	3,070	9,112
Total	183,689	158,581	128,612

Source: Chalamwong, 2006, Appendix Table 6

Thai migrant worker policy since 1992 has required employers to register the migrants they employ or risk fines and the removal of their unauthorized foreign workers. Registration requires the payment of fees equivalent to a month's Thai wages, and allows migrants to work for one additional year, making fees eight percent of earnings.³³ Few migrants have a month's wages to pay the fee, so most Thai employers pay registration fees and deduct them from migrant wages. This lowers take-home pay and encourages some migrants to “run-away” from the employer

³²Los Angeles-based Global Horizons recruited Thai workers to fill jobs in Israel in the 1990s and recruited Thais to fill US farm jobs under the H-2A program and nonfarm jobs under the H-2B program. Global has been sued by federal and state authorities for violating rules that require employers to pay transportation and minimum wages and lost its license to operate as a labor contractor in several states.

(http://migration.ucdavis.edu/rmn/more.php?id=1157_0_4_0)

³³In September-November 1996, Thai employers were allowed to register the migrants they employed for two years after paying a 1,000-Baht bond, a 1,000-Baht fee and a 500-Baht health fee. Initially, only employers in 7 sectors (agriculture, fisheries, construction, mining, coal, transportation, and manufacturing) and 39 of the 78 provinces could register migrants, but the number of sectors was expanded to include domestic helpers and several other occupations, and the number of provinces was expanded to 43. Some 323,123 migrants were eventually registered, 88 percent Burmese, and 293,652 two-year work permits were issued.

who registered them. To prevent runaways, some employers keep the documents of registered workers, which makes even registered migrants vulnerable to police checks.

In July-August 2004, all migrants and their dependents could register with the Ministry of Interior at no charge and receive temporary residence cards that allowed them to stay in Thailand another year. Some 1,284,920 migrants and dependents registered at the Ministry of Interior,³⁴ but only 1,122,192 went to government offices to be photographed. Employers paid registration fees for 849,552 migrant workers,³⁵ but fewer migrant workers were re-registered in the following years, some 705,293 (including 76 percent Burmese) in 2006 and even fewer in 2007, despite reports of ever-increasing numbers of migrants. The Mekong Migration Center (2008, 51-52) emphasized that the 2006 registration initially required employers to pay a significant deposit for each migrant worker registered—the deposit requirement was lifted to encourage more registrations.³⁶

The Thai Ministry of Labor's Department of Employment reported 2.8 million foreigners in Thailand in 2006, including almost 1.3 million migrant workers, 500,000 overstayers (from 190 countries), 800,000 foreigners under the responsibility of the Ministry of the Interior, and 104,000 registered foreign professionals. The Mekong Migration Center (2008, 53) reported 535,732 migrant workers registered under the registration program in 2006, including 91 percent Burmese, and 110,529 registered under the MOUs with Cambodia and Laos, half Cambodian and half Laotian.

The table below shows the rising total number of migrants and the fluctuating number of registered migrants.³⁷ The share of migrants registered was 67 percent in 2000 and 85 percent in 2003, and hasw been falling recently (the data are approximate, since the total number of

³⁴Those registering in 2004 included 921,492 from Burma, 183,541 from Cambodia, and 179,887 from Laos. The total included 93,000 children under 15 and about 10,000 migrants over 60.

³⁵ The cost of a one-year work permit was 3,800 baht (\$100), including 1,800 for a one-year work permit (plus 100 for the card) and 1,800 for a health check and insurance.

³⁶Employers were to pay a registration fee of 10,000 baht (\$275) for migrants who had been registered before and 50,000 baht (\$1,340) for migrants being registered for the first time. Employers protested, the fee was waived, and a total of 220,900 migrants were registered between March 2006 and February 2007, including 94 percent who had been previously registered.

³⁷The complexity of the registration process may discourage some migrants from encouraging their employers to register them. A migrant who arrives after the registration period ends, or without proper proof of employment, can be detained and deported. Migrant work permits tie workers to a particular employer, and migrants cannot leave the district of that employer without permission.

migrants is not known). Except in 2000 and 2003, the total number of migrants has exceeded the number of registered migrants, often by two to one.

Table 9. Foreign Workers in Thailand, 1995-2006

Foreign Workers in Thailand, 1995-2006

	Registered	Non-registered	Total	Registered%
1995	293,652	406,348	700,000	42%
1996	293,652	424,037	717,689	41%
1997	90,911	870,556	961,467	9%
1998	99,974	886,915	986,889	10%
1999	99,956	563,820	663,776	15%
2000	568,249	281,751	850,000	67%
2001	409,339	558,910	968,249	42%
2002	288,780	711,220	1,000,000	29%
2003	849,552	149,848	999,400	85%
2004	705,293	807,294	1,512,587	47%
2005	668,576	1,104,773	1,773,349	38%
2006	460,014	1,339,986	1,800,000	26%

Source: Ministry of Labor, Nara PPT, 2006; Huguet, 2007.

An additional 53,202 migrants were registered under the MOU in 2006; most were already in Thailand.

As in Taiwan, migrant workers in Thailand seem to have changed from a one-time phenomenon into a structural feature of the labor market. In 1997-98 the Thai government tried to open up jobs for Thais laid off by the financial crisis by not renewing the work permits of the 20,000 migrant workers employed in rice mills were migrants. Mill owners complained that, without migrants, the mills would close and rice exports would fall (Thailand is the world's largest exporter of rice).³⁸ After a one-day "strike," the government reversed its position and allowed migrants to continue to be employed in rice mills.

Thailand signed MOUs with Burma or Myanmar (June 2003), Cambodia (May 2003) and Laos (October 2002) to improve the management of labor migration and promote development in the

³⁸On July 5, 1998 an estimated 600 of 1,000 Thai rice mills closed because, the owners claimed, the government would not permit them to employ foreign workers. The estimated 20,000 rice mill workers, mostly Burmese, earned the minimum wage of \$4 a day or \$122 a month to carry bags of rice that weigh up to 100 kg or 220 pounds; the quota was to carry 200 bags a day. The government proposed that the mills raise wages and reduce the weight of the bags from 100 to 50 kg to attract Thai workers, some of whom said they would work in rice mills if the bags were lighter (Migration News, 1998. Migrants Can Stay. August, Vol 5. No 8). This effort failed.

border areas of its poorer neighbors. Under the MOUs, Thai employers get their need for migrants verified by Thai authorities, who transmit information on the number of migrant workers needed to sending-country governments, where private firms (Cambodia) or government agencies (Burma and Laos) recruit migrants to fill Thai jobs (Vasuprasat, 2007). Migrants are issued passports so they can receive entry documents at the appropriate Thai embassy or consulate before traveling to Thailand to receive two-year work permits that are renewable once. Migrants are to leave Thailand when their work permits expire, and receive in their home country the 15 percent of wages that were withheld in Thailand to encourage their return (these wages are forfeited if migrants do not return).³⁹

In December 2007, the Ministry of Labor reported that Thai employers “needed” 1.2 million unskilled migrant workers for 2008, and that 546,272 migrants were registered (Mekong Migration Center, 2008, 59). The MOL allowed migrants who received temporary IDs in the 2004 registration, but who did not have Thai employers register them for work permits, or whose employers did not re-register them, to register in order to fill the 650,000-worker vacancy legally. Some 135,000 migrants were registered in February 2008, 93 percent Burmese. All work permits that have been issued to migrants in Thailand are scheduled to expire February 10, 2010.

The Thai government launched enforcement campaigns against illegal entry and employment after each regularization. Some 135,400 unauthorized migrants from Burma, Cambodia, and Laos were detected at Thai borders in 2006, including 52 percent Cambodians and 44 percent Burmese, and Thai authorities removed 95,000; there were 103,000 border arrests in 2005 and 57,000 in 2004 (Vasuprasat, 2007, 10). However, interior arrests of migrants rose fastest for Cambodians, up over 100 percent between 2005 and 2006, and almost a third for Laotians, while arrests of Burmese declined. The Royal Thai Police reported that it spent 852 million baht (\$25 million), 1.4 percent of its FY07 budget, to deal with illegal migration.

³⁹ This part of the MOU has not been implemented; many experts doubt that migrants will ever receive the withheld wages from their own governments. Under the Thai MOUs with Burma, Cambodia, and Laos, migrants may be liable for income taxes in both Thailand and their country of origin.

Table 10. Enforcement Indicators, Thailand, 2005-06

Enforcement Indicators, Thailand, 2005-06			
Migrants	2005	2006	Change
Border Arrests	102,780	135,428	32%
Interior Arrests	236,722	336,033	42%
Burma	100,759	88,819	-12%
Cambodia	92,268	196,798	113%
Laos	34,565	45,148	31%
Others	3,130	5,268	68%
Arrests in Thailand (Thais & Foreigners)			
Employers	1,005	1,039	3%
Landlords	1,280	1,627	27%
Smugglers	2,305	2,626	14%

Source: Vasuprasat, 2007, 11

The Mekong Migration Center (2008, 129-30) emphasized that, even if they are registered, migrant workers in Thailand can be subject to arrest and removal because e.g. they are outside their designated area of employment. The center cited examples of registered Burmese migrants arrested and deported while participating in holiday celebrations too far from their place of employment. Copies of work permits are normally not accepted by police as proof of registration, nor are the receipts migrants receive after registering but before receiving their registration cards. Migrants emphasize that with employers often holding their registration cards, they can remain in jail after being arrested until their employer brings the cards to the police, a dependence on employers that discourages worker protests.

Recruitment under the MOUs began in 2006, when Thai employers requested 51,100 Lao and 17,500 Cambodian workers (Vasuprasat, 2007, 8). However, only 3,400 Lao and 600 Cambodian workers arrived under the MOUs in 2006 (an additional 1,400 arrived from Laos in the first quarter of 2007).⁴⁰ Up to 10 percent of those recruited under the MOUs leave before their two-year contracts are completed, but there is no system for recording why. Vasuprasat (2007, 12) suggested that the reasons for early returns include the fact that Thai employers advance travel costs (fly now and pay later in wage deductions) and that many migrants are farm workers not accustomed to the long hours they are expected to work in Thai factories. On the other hand,

⁴⁰ Another 49,200 migrants already in Thailand received documentation of their nationality from Cambodian and Laotian authorities and work permits from the Thai government (Hugeut, 2007, 8-9).

some migrants assume they will have three to four hours of overtime every day, and are disappointed when there is less overtime work available.

Relatively few migrants have come to Thailand under the MOUs because of time-consuming recruitment procedures and high fees. In both Cambodia and Laos, migrants must obtain documents from local and provincial authorities and travel to the capital to complete the recruitment process, which can take three to five months. High fees are an even more significant barrier to legal migration. Cambodian migrants entering Thailand under the MOU must agree to have recruitment agency fees that average 20 percent of the first year's Thai earnings (an average 3,700 baht a month, derived from the minimum wage of 144 baht a day and 26 days of work a month) deducted from their pay and sent to the agency.⁴¹ These fees of \$350 to \$500 are far more than the typical \$85 cost of being smuggled from Cambodia to Thailand, although some of the smuggled migrants may wind up isolated on fishing boats or pushed into prostitution (women) or begging (children). Some Cambodians use daily border crossing passes that cost 10 baht (\$0.35) to enter Thailand and then work illegally, especially if they have relatives in Thailand to find them jobs and provide shelter.

Recruitment in Laos is also expensive. Laotian Prime Minister Decree 68/PMO allows the five authorized employment agencies, two of which are state enterprises, to charge legal migrants 15 percent of what they will earn abroad in recruitment fees, and does not make clear if agencies may charge additional fees for passports, health checks etc. Thai employers advance half of the 15,500 baht recruitment fee to Lao recruitment agencies and pay the other half once the migrant arrives in Thailand, and then deduct this fee from migrant worker wages (Vasuprasat, 2007, 9). Being smuggled from Laos to Thailand costs \$60 to \$85, about one month's wages, compared to five to six months wages in fees for migrating legally.⁴²

There are several unique features of migrant workers in Thailand:

⁴¹Cambodians wanting to work legally in Thailand submit applications to the Ministry of Labor, and are matched with Thai employers by the 12 authorized private recruitment agencies. Cambodian migrants sign two contracts—one with the recruitment agency and one with the Thai employer.

⁴² The Lao government sometimes fines the families of migrants who leave without the permission of the village authority Kip 300,000 (\$30).

- Migrants are concentrated in the same sectors as in other migrant-receiving countries, viz, agriculture, construction, and some manufacturing and services, but Thailand has a higher share of Thai workers than migrants employed in agriculture (about 25 percent of migrants and 40 percent of Thais are employed in agriculture)
- Migrants are especially concentrated in several sectors. About 15 percent are employed in fishing and fish processing, compared with less than two percent of Thais, and 14 percent are employed in construction, compared to six percent of Thais. Over half of the domestic helpers in Thailand are believed to be migrants.
- About 75 percent of registered migrants are Burmese, followed by 12 percent each from Cambodia and Laos. If current trends continue, there is little prospect for a natural end to emigration pressures in these countries of origin, as would occur if economic development and rising wages kept migrants at home.
- Migrants are concentrated in Bangkok and southern Thailand as well as in Thai provinces that border Burma. Thailand's poverty is concentrated in rural areas of the northeast. Some Thais from these areas who used to migrate within Thailand now work abroad, often in the same sectors that employ migrants in Thailand, such as agriculture and construction. It appears that migrants from Cambodia and Laos pass through poor areas of Thailand to find jobs in Bangkok and southern Thailand.

In most cases, migrants complement Thai workers, as when migrants on fishing boats increase the productivity of Thai boat captains, boat builders, and others in upstream and downstream industries. There may also be instances of substitution between migrants and Thai workers, as when construction firms hire migrants rather than Thais because the migrants are willing to work more hours at lower wages (Thai migrants often return to their farms for the harvest).

Most analysis suggests that migrants fill jobs in Thailand that have become less desirable as Thais gain more options in a growing economy, including the option of migrating abroad. These jobs were not eliminated or restructured as a result of e.g. rising wages because migrants were available to fill them. In some cases, "migrant jobs" were created by new foreign and domestic investments, some of which were subsidized by the Thai Board of Investments, most notably in agriculture and garments along the Thai-Burmese border.

Migrants are primarily young workers, in the age group that typically pays taxes rather than receives tax-supported services. The access of migrants to services for which they have paid (in registration fees), such as health care, is uneven because migrants may not know they are entitled to services and health care facilities may not have providers who speak their language.

Education of migrant children and crime raise special concerns. Some migrants have Thai-born children or have brought their children to Thailand. These children have been entitled to attend Thai schools since July 2005, and increasing numbers do, but there is no national count of migrant school children. Thailand does not allow Burmese-language or unregistered schools, but there are “learning centers,” many operated by NGOs, that provide some schooling for the children of migrants in their own language. Funding is sometimes augmented with parents’ contributions. The centers often mix children of various ages in one room, which may limit the effectiveness of the schooling.

Unauthorized or irregular migrants are employed in Thailand in violation of Thai laws. However, media reports of migrants committing crimes in Thailand are likely to leave a false impression that migrants commit a disproportionate share of crimes when in fact they are more likely to be crime victims. However, provincial governments have begun to react to fears that migrants are responsible for rising crime by imposing new restrictions on them. Phuket provincial authorities in May 2007 announced that the 32,000 registered migrants must register their mobile phones and are prohibited from riding motorcycles and leaving their accommodations at night.⁴³ In Ranong, migrant workers are prohibited from gathering in groups of five or more unless they are working; similar restrictions on migrants were implemented in Tak, Chiang Mai, and other border provinces.

The Greater Mekong Subregion includes the six countries that share the Mekong river, Thailand, Laos, Cambodia, Burma (Union of Myanmar), Vietnam and the Yunnan Province of China. There are about three million migrants among the 260 million residents of the region, including two-thirds in Thailand. The Mekong Migration Center (2008) reviewed the evolution of migrant worker policies in the region, especially in Thailand, emphasizing that even migrants who are registered can be arrested and deported for “technical” violations of laws and regulations.

⁴³“Warm welcome for tourists doesn't extend to workers,” The Nation. May 1, 2007

The center recommended (2008, 177-8) that receiving-country governments abolish restrictions on the movement of legal migrant workers within them and prevent provincial governments from enacting laws and regulations targeting migrants to avoid giving police an excuse to harass them. The center recommended that employers be prohibited from retaining migrant documents or that migrants be allowed to carry copies of their documents; if police encounter migrants with copies, migrants should be given time to provide originals before being arrested. Huguet (2008) recommended that Mekong-area governments legalize migrant workers and that labor-sending and –receiving governments cooperate to recognize migrant skills and reduce the costs of sending remittances over borders.

Migrant-Sending Countries

This section explains the factors motivating out-migration as well as the migration policies of the major labor-sending countries of the Asia-Pacific region. The major points include:

- Many Asian nations want to send more workers abroad to reduce joblessness, generate remittances, and accelerate development. Many governments have created agencies to “market” their workers to foreign employers.
- Migrant-sending governments are also concerned about the rights of migrants, and many have agencies to regulate recruiters, prepare workers for overseas jobs, and look after migrants while they are abroad
- Most governments measure the benefits of migration by the number of migrants going abroad and the amount of remittances received. These measures may not reflect progress in human or economic development that will make migration unnecessary in the future.

Philippines

The Philippines sends more workers abroad than any other Asian country. According to the government, there are 83 million Filipinos at home and eight million abroad, including 1.5 million or 20 percent in the US.⁴⁴ Filipino migrants remitted over \$1 billion a month in 2007, a total \$14.4 billion, equivalent to 10 percent of the country’s GDP; over half of these remittances

⁴⁴ PRB.org puts the Philippine population at 90 million in 2008, and a projected 150 million in 2050.

were recorded as coming from the US. In recognition of the importance of migrants and remittances to the economy, the Filipino president welcomes some returning migrants at Christmas in a "Pamaskong Handog sa OFWs" (welcome home overseas foreign workers) ceremony.⁴⁵

Almost 1.1 million Filipinos went abroad legally to work in 2007, an average of 3,000 a day, the equivalent of seven 747s; a similar 1.1 million Filipino migrants were deployed in 2006 (POEA, 2008). Some 811,100 were land-based, meaning they filled jobs on land, and 266,500 were sea-based workers, manning the world's ships. Most of the land-based migrants, 61 percent, had been abroad before, in jobs ranging from domestic helper to driver to construction worker and in countries from Saudi Arabia to Canada.⁴⁶ Filipinos are 30 percent of those who man the world's ships.

Table 11. Philippines: Migrant Deployments in 2006-07

	2007	2006
Total	1,077,623	1,062,567
Landbased	811,070	788,070
Rehires	533,098	489,528
Share	66%	62%
Seabased	266,553	274,497
Destinations		
Saudi Arabia	238,419	223,459
UAE	120,657	99,212
Hong Kong	59,169	96,929
Qatar	56,277	45,795
Singapore	49,431	28,369

Source: POEA. Philippine Overseas Employment Administration. 2008.
Overseas Employment Statistics 2007.
www.poea.gov.ph

⁴⁵ An account of the December 20, 2007 welcome is at www.devbankphil.com.ph/News/news_full.php?articleid=00350

⁴⁶ Of the 811,000 land-based migrants leaving in 2007, almost 30 percent went to Saudi Arabia, 15 percent went to the UAE, and about six percent each went to Hong Kong, Qatar and Singapore— these five countries absorbed two-thirds of the land-based Filipinos deployed in 2007.

President Marcos in 1974 issued Decree 442 to ensure “the careful selection of Filipino workers for the overseas labor market to protect the good name of the Philippines abroad.” Decree 1412 in 1978 discussed strengthening worker recruitment for local and foreign jobs “to serve national development objectives.” The Philippine Overseas Employment Administration (POEA) was created in 1982 to promote the migration of workers and to protect them during recruitment at home and employment abroad.

Over half of the migrants leaving the Philippines are women, and some are vulnerable to abuse in the private households in which they work. In 1995, Flor Contemplacion, a Filipina domestic helper in Singapore, was hanged after killing another Filipina maid and a Singaporean child.⁴⁷ Philippine President Fidel Ramos was unable to win additional time to investigate the case, prompting the enactment of Republic Act 8042, the so-called Filipino migrant workers' Magna Carta, which obliges the government to take steps to protect migrants abroad.

The POEA sends workers abroad, regulates private recruitment agencies, and checks the contracts that recruiters provide to migrants (www.poea.gov.ph) with a 243 million peso (\$5.5 million) budget and 508 employees in 2007 —its costs were 218 pesos (\$5) for each migrant deployed. The POEA directly sent 8,600 workers abroad in 2007, about one percent of the land-based migrants, including 5,200 Filipinos to Korea; only the POEA can send workers to Korea.

Israeli-Lebanon fighting in summer 2006 resulted in the return of Filipina domestic helpers who complained of mistreatment.⁴⁸ The government responded with the "Supermaid" program that, beginning in January 2007, requires Filipina domestic helpers abroad to receive training in emergency health care before departure and to be paid at least \$400 a month. The number of Filipinas deployed as domestic helpers fell sharply--there were 91,000 newly hired household service workers in 2006 and 40,000 in 2007. POEA suspects that some may leave as gardeners or other types of workers not covered by the \$400 a month minimum wage, which may prompt a

⁴⁷The events surrounding this case are covered in Asia Week. 1995. A Death in the Family. December 29. www.asiaweek.com/asiaweek/95/1229/feat3.html

⁴⁸ Fighting between Israeli and Hezbollah in mid-2006 resulted in 6,000 Filipinos, mostly domestic helpers, being flown home; two-thirds were undocumented. Between 1990 and 2005, migration to Lebanon was banned because of frequent mistreatment of domestic helpers. That ban was lifted in 2005, and reimposed in 2006.

minimum wage for all Filipino workers going abroad, so that domestic helpers do not leave as gardeners or security guards.

The Philippine government believes it is managing labor migration effectively, citing more workers leaving legally and fewer licensed recruitment agencies (agencies that violate rules are closed). There were 1,363 licensed recruiters in 2007, including 1,010 land-based recruiters and 353 manning firms that provide seamen to shipping companies. The POEA, which has a hard-to-enter, easy-to-go policy toward recruiters, requires them to post bonds of two million pesos (\$45,000) and to be jointly liable with foreign employers if the contracts of migrant workers are violated.

Joint liability is a potential best practice to protect migrant workers. Philippine law makes Filipino recruiters jointly liable with foreign employers to fulfill the terms of the contracts signed by the foreign employer, the Filipino recruiter, and the migrant. Migrants abroad often have limited access to redress for contract violations, but when they return to the Philippines, migrants can turn to POEA for assistance if there were violations of contract terms, and Filipino recruiters must pay judgments against the foreign employer.

The Philippines deployed 50,000 workers to foreign jobs in 1975. The number rose to 500,000 a year in the late 1980s, and today tops the one million a year target set by the government for the 2004-2010 period. The major debate among Filipino economists is whether labor out-migration will be self stopping, as migrants send home remittances that are spent and invested to fuel economic and job growth, or whether some migration will create conditions that lead to more migration.

Remittances reduce poverty. Adams and Page (2005) find that a 10 percent increase in the share of migrants in a country's population is associated with a 1.9 percent decrease in the share of residents living in poverty, defined as living on less than \$1 a day, and that a 10 percent increase in the share of remittances in a country's GDP is associated with 1.6 percent reduction in poverty. Yang (2008)

found that remittances to the Philippines are primarily invested, and that the fall the peso relative to the dollar increased remittance investments in the Philippines, including in children's

education and health. It should be emphasized that over half of Filipino remittances are from the US, which has fewer than 20 percent of Filipinos abroad, and that Filipinos in the US are primarily settled immigrants rather than temporary workers, as with Filipinos in Saudi Arabia, Hong Kong, and other Asian countries.

Remittances can also reduce inequality. However, most Filipino remittances accrue to wealthier households, mitigating any effects on narrowing inequalities (Rodriguez, 1998). Indeed, poor non-migrants may be worse off because of Dutch disease, as remittances increase the value of the peso and shrink the number of jobs in garment and other export-oriented manufacturing industries. Acosta et al (2007) found a Dutch-disease effect of remittances in El Salvador, that is, remittances reduced the supply of labor and increased the demand for nontradeable goods, which increased the value of the currency and shrank the export-sector. The Philippines central bank in 2007 pointed to evidence of Dutch disease, including the appreciation of the peso, the loss of jobs in export industries, and a rising price of nontradeable to tradable goods, including housing.⁴⁹

The social effects of remittances are also uneven. The so-called complacency effect may reduce the work efforts of members of families with a migrant abroad. Pernia concluded that migration and remittances have very mixed effects on the Philippines, as the “remittance windfall may have a moral hazard effect as the government softens in pursuing policy reform or improving governance while people are lulled into complacency, as appears to be happening in the Philippines.” (2008, 8) Furthermore, he concluded that “labor export cannot be relied upon as a policy for reducing poverty, redressing income inequality and, for that matter, fostering the country’s long-run development.” (2008, 21)

A culture of migration reportedly prompts many children to plan to follow their parents abroad to work, and may lessen their interest in education and the local labor market. Labor migration has been called a “civil religion,” with teens considering where to go abroad, TV shows exploring the tensions associated with family separation, and the Central Bank displaying remittance numbers

⁴⁹ Ernesto B. Calucag, “The symptoms of Dutch disease,” Business World, February 22, 2008. www.bworldonline.com/Research/populareconomics.php?id=0074

on a billboard at Christmas. Evangelist Rick Warren calls Filipino guest workers the Josephs of today, toiling in the homes of modern Pharaohs to liberate Filipinos at home.⁵⁰

Indonesia

Indonesia sent over 640,000 migrant workers abroad in 2006, mostly women to Malaysia and Saudi Arabia to be domestic helpers in private homes. At least half of the outflow is unauthorized, as when Indonesians travel as tourists or slip into Malaysia by boat and use pilgrimage visas to travel to Saudi Arabia. Total remittances are believed to be at least twice officially reported remittances of \$3.4 billion in 2006.

Indonesia's goal is to increase the number of migrants deployed in order to increase remittances, but migrant advocates say that the Indonesian government often looks at migrant workers as sources of taxes and fees. The Indonesian president, who has recognized that the recruitment process winds up overcharging migrants and encouraging illegal migration, ordered the creation in 2007 of a business-oriented government agency with 800 employees, BNP2TKI, to act as a one-stop shop for migrants that simultaneously promotes and protects Indonesian migrant workers (Ananta and Arifin, 2007). Many NGOs are sceptical that BNP2TKI can achieve this goal.

Indonesia's labor force was 111 million in 2005, including 100 million employed, with 44 percent in agriculture,⁵¹ 17 percent in industry, and 39 percent in services—unemployment is 11 percent and underemployment 45 percent. The labor force is growing faster than the number of jobs—the labor force rose from 96 million in 2000 to 111 million in 2005, while employment rose from 90 million to 100 million (Soeprobo, 2006, Table 2.2).

The gap between the 15 million additional workers and the 10 million additional jobs encourages out-migration. However, government efforts to increase deployments to a million a year have not succeeded.⁵² Deployments peaked at 503,000 in 1997, the year of the Asian financial crisis, and fell to less than 400,000 in 2004. Deployments rose in 2005 to almost 500,000, and rose again in

⁵⁰ Jason DeParle, "A Good Provider Is One Who Leaves," New York Times, April 22, 2007

⁵¹ Those employed in agriculture included 18 million unpaid family workers.

⁵² "Indonesia aiming to send one million workers overseas each year," The Jakarta Post, January 26, 2006.

2006 to almost 700,000. The table, which deals only with legal labor migration from Indonesia, shows that over three-quarters of Indonesian migrants are deployed to Malaysia and Saudi Arabia.

Table 12. Indonesian Migrants by Destination, 1995-2006

	1995	1996	1997	1998	1999	2000
Saudi Arabia	43,451	115,209	116,844	151,288	131,157	114,067
Malaysia	29,712	38,652	317,685	108,775	169,177	191,700
Subtotal	73,163	153,861	434,529	260,063	300,334	305,767
% of Total	61%	70%	86%	71%	70%	70%
Total	120,603	220,162	502,977	367,526	427,619	435,219
	2001	2002	2003	2004	2005	2006
Saudi Arabia	103,235	213,603	169,038	203,446	150,235	307,427
Malaysia	110,490	152,680	89,439	127,175	201,887	270,099
Subtotal	213,725	366,283	258,477	330,621	352,122	577,526
% of Total	63%	76%	88%	86%	74%	85%
Total	338,992	480,393	293,694	382,514	474,310	680,000

Source: Indonesian Ministry of Manpower and Transmigration, 2007

No Indonesians were deployed between March and May 2005

Indonesians domestic helpers are paid less than those from other countries, e.g. Filipina domestic helpers in Hong Kong are paid 30 to 50 percent more than Indonesians.⁵³ Men dominate among the relatively few Indonesians going to South Korea and Japan.

Some 2.7 million Indonesians worked abroad in mid-2006, mostly in Malaysia, Saudi Arabia, Singapore, Hong Kong, and Taiwan. Indonesian-Malaysian migration is sometimes compared to Mexico-US migration. Indonesia and Malaysia have a similar language, culture, and religion, and there was widespread migration from Indonesia to Malaysia during the colonial era. Malaysia's 2001 Census found 1.4 million foreigners, half Indonesians, reflecting a well-established Indonesian community.⁵⁴

⁵³ Loveband (2004) describes how Taiwanese labor brokers "sell" Indonesians as docile domestic helpers to clients.

⁵⁴East Malaysia, the states of Sabah and Sarawak, also have large numbers of Indonesian and Filipino migrants. The population of Sabah rose from 700,000 in 1979 to over three million in 2006, with much of the growth was due to immigration. Tighter border controls have kept some Indonesians in Sabah. Those with expired Indonesian papers and no Malaysian papers are essentially "paperless."

Many Indonesians go to Malaysia as tourists and work, or slip into the country on boats. Once in Malaysia, unauthorized Indonesians often live with friends or relatives in enclaves. The Malaysian press reports emphasizes problems associated with migrants, such as crime, but the Indonesian press complains that Malaysian papers do not report cases of migrants who complain to employers about unpaid wages being reported to the police.⁵⁵ Malaysia has a 500,000 strong People's Volunteer Corps (RELA) to help enforce laws, including laws against unauthorized foreigners. RELA volunteers are allowed to enter workplaces and homes without warrants, carry firearms, and make arrests after receiving permission from RELA leaders. Migrant activists say that RELA volunteers are sometimes vigilantes, planting evidence to justify arrests of foreigners and using excessive force in their policing.

If caught working illegally, Indonesians are detained under sometimes harsh conditions in Malaysia before being returned to Indonesia. Malaysia has periodic “amnesties” that permit unauthorized migrants to leave with minimal or no fines and no detention, and some 340,000 unauthorized Indonesians returned from Malaysia during the most recent amnesty at the beginning of 2005 (Many migrants do not return during these amnesties because they are owed back wages. If they return before collecting them, they are unlikely to ever be paid). The Indonesian government, in turn, prohibited the deployment of additional migrants to Malaysia between March 1 and May 31, 2005 (90 days) to improve its recruitment and deployment policies. When the deployment of Indonesian migrants resumed, only agents registered with the Indonesian Ministry of Manpower and Transmigration (MoMT) could send workers abroad, and migrant contracts had to be checked by the MoMT to ensure that they were signed by migrants, Indonesian agents, and foreign employers.⁵⁶

More Indonesian women work as domestic helpers at home and abroad than in any other type of wage work. Under the 2006 Malaysia-Indonesia MOU covering domestic helpers, contracts are to specify the rights and obligations of migrants and employers, and employers may no longer withhold a portion of workers' wages until the end of the contract.

⁵⁵ Ardimas Sasdi, “Our Migrant Workers, Heroes or Villains?” The Jakarta Post, May 15, 2007.

⁵⁶ For migrants going to the Middle East, sponsors also had to sign the contracts.

There are often large gaps between the theory of government protecting migrants and the reality faced by migrants. Indonesian President Susilo Bambang Yudhoyono has deplored the exploitation of migrants by government agencies and private agents, prompting the formation of the BNP2TKI agency. Yudhoyono was quoted in the Jakarta Post on August 30, 2006 asserting that Indonesian migrants “deserve better service to obtain documentation from government offices to work overseas because the government could not give them any jobs at home. Upon their arrival home, they should be given the red carpet for their service in contributing to the country's foreign exchange.”⁵⁷

Some government agencies obtain a significant portion of their revenue by providing the forms and assurances needed to go abroad legally, and airport inspectors allegedly charge departing migrants fees if these forms are not completed perfectly. Other inspectors collect fees and duties on goods brought back by returning migrants, who can dispute the fees only if they leave the goods in the care of the government, which they are reluctant to do. Private vendors reportedly overcharge returning migrants at Terminal III of Soekarno-Hatta International Airport near Jakarta, which migrants are required to use, with low exchange rates and fixed fares for transport to villages.

The Indonesian Labor Exporters Association (Apjati) and the Indonesian Manpower Development Association (Idea) represent labor recruiters, and both associations complained in November 2006 about a new government policy that requires them to have minimum capital of Rp 3 billion and to deposit Rp 500 million (\$55,000) with the government. Even after the latest simplification of government deployment procedures, recruiters say that migrants must deal with 14 government officers, down from 43, and obtain documents from agencies that range from the village to the federal government.⁵⁸

The recruitment industry had revenues of \$194 million in 2003, according to Ananta and Arifin (2007). It is not clear what will happen to recruitment revenues with the new National Board for the Placement and Protection of Indonesian Overseas Workers (BNP2TKI). The BNP2TKI, modelled on the Philippines POEA was created by Law No. 39/2004. Chapter 3 of the law

⁵⁷ Indonesian migrants are often referred to as *pahlawan devisa* or foreign exchange heroes.

⁵⁸ Ridwan Max Sijabat, “Private Firms Attack Labor Export Reforms,” Jakarta Post, November 6, 2006

outlines the rights and obligations of migrants, while Article 9 obliges migrants to pay all costs of their recruitment and deployment. Chapters 10 and 11 set out penalties for violations of Indonesian laws governing labor migration, including jail terms of one to five years for recruitment violations, such as sending workers under age 18 abroad.

The BNP2TKI is to be a business-oriented and decentralized one-stop shop that offers potential migrants accurate information about jobs abroad via the internet and enables them to obtain necessary certificates and passports at one location; migrant-paid fees are to cover its costs. Before going abroad, migrants are to obtain certificates from BLKs (training centers) that certify their skills and knowledge of the destination country.

NGOs Migrant Care and Jakak say that the ongoing reforms of the recruitment system⁵⁹ are largely top-down cosmetic changes rather than sincere efforts to protect migrants and reduce their costs. They note that many of the Indonesians who returned from Malaysia during the Spring 2005 “amnesty” had to pay fees to Indonesian recruiters, as well as to both the Indonesian and Malaysian governments, in order to return to their Malaysian jobs as legal workers.⁶⁰ High recruitment fees have been a problem for Indonesian migrants; it is yet not clear whether recent reforms have reduced them.

Vietnam

Vietnam is aiming to increase the number of workers it sends to foreign labor markets to 100,000 a year by 2010. Before 1989, Vietnam had labor cooperation agreements with several East European countries, including East Germany, under which workers were sent abroad to repay debts incurred by the government. Since 1993, Vietnam has allowed and increasingly promoted labor emigration, and had 400,000 migrant workers in 40 countries in 2006, including 100,000 in Malaysia and 90,000 in Taiwan (Anh Nguyen, 2007, 3-6).

⁵⁹ Ford (2006, 2004) reported that NGOs and the Indonesian Migrant Workers' Union (IMWU) were taking the lead to protect Indonesians employed abroad. Traditional Indonesian unions have done relatively little for migrants employed outside the country.

⁶⁰ Many Indonesians continue to go by ferry to Malaysia with tourist visas and then work. So-called “project boats” take Indonesians from Batam in Indonesia’s Riau Islands for Rp3.2 million (\$350) to Plunggur, where arrivals do not have to show that they have at least M\$1,000 (\$260) to cover the cost of their vacation.

Vietnamese migrants have some of the highest debts when they go abroad, often exceeding the earnings they expect in first year of typical three-year contracts. As a result, up to 25 percent of Vietnamese migrants run away from the employer to whom they were assigned, since they can earn more as unauthorized workers than as legal workers with debt deductions from their wages. In response, the Vietnamese government has proposed punishing runaways when they return to Vietnam.

The Vietnamese labor force of 44 million in 2005 was distributed as follows: 24.3 million in agriculture, 7.6 million in industry (including construction), and 10.8 million in services. Among southeast Asian countries, Vietnam has the highest share of women in the labor force, 78 percent of working age women were in the labor force; about the same share of men were economically active as in neighboring countries, 83 percent. Un- and under-employment is highest in rural areas, encouraging young people in rural areas to migrate to urban areas of Vietnam and abroad.

Table 13. Economically Active Population (share of working age in labor force)

Southeast Asia, Economically Active Population (% of working age pop)					
	1990		Latest Year		
	Female	Male	Female	Male	Year
Brunei Darussalam	46	82	59	80	(2005)
Cambodia	55	58	64	72	(2001)
Indonesia	52	83	53	87	(2004)
Lao PDR	71	69	85	83	(2003)
Malaysia	48	85	46	80	(2005)
Myanmar	46	77	49	80	(2003)
Philippines	48	82	50	83	(2004)
Singapore	53	79	57	78	(2005)
Thailand	74	85	66	82	(2005)
Viet Nam	79	86	78	83	(2004)
Source: Asian Development Bank (ADB) - Key Indicators 2006 (www.adb.org/statistics)					

Vietnam sent almost 80,000 workers abroad in 2006 and 85,000 in 2007; about a third were classified as skilled workers. The government has two migrant-worker goals: to send 100,000 workers a year abroad, and to send more skilled workers abroad in order to generate more remittances and to enable migrants to better protect themselves.

Table 14. Stock of Vietnamese Migrants, 2006

Stock of Vietnamese Migrants, 2006

	Number	Monthly Wages(\$)	Runaways	Jobs
Malaysia	100,000	150-200		Construction, factories
Taiwan	90,000	300-500	9-12%	Construction, factories, domestics
S Korea	50,000	450-1,000	20-25%	Factories, ag
Japan	19,000		27-30%	Factories
Subtotal	259,000			

Source: Anh Nguyen, 2007, 7, 12

The major destinations for Vietnamese migrants include Malaysia, Taiwan, and South Korea, which received 26,700, 23,600, and 12,000 Vietnamese migrants in 2007, respectively, or almost three-fourths of those deployed. Earnings averaged \$300 a month in Malaysia, \$600 in Taiwan, and \$850 in South Korea. Migrant-paid fees were \$1,000 to go to Malaysia, including \$700 for commission and placement fees, \$3,200 to Taiwan, including \$2,450 for commission and placement fees,⁶¹ and \$700 for Korea, including \$240 for Korean language training but no fees (van Trinh, 2008).

Table 15. Vietnamese Migrants' Costs and Earnings, 2007

	Malaysia	Taiwan	S Korea
Number Deployed	26,706	23,600	12,200
Costs (US\$)	1,013	3,199	699
Passport/visa	18	79	63
Medical check	25	25	28
Travel cost	200	300	366
Language etc	60	45	242
Deposit		300	
Comm fee	350	2,000	
Place fee	360	450	

⁶¹So many Vietnamese domestic helpers, reportedly 45 percent, ran away from their employers that Taiwan suspended the entry of Vietnamese domestic helpers in January 2006. Vietnam, like Bangladesh and some other labor-exporting countries, worries that if too many of its citizens abandon the jobs they went abroad to fill, receiving countries will not accept Vietnamese migrants.

Earnings (\$/mon)	300	585	850
Earnings-3 years (\$)	10,800	21,060	30,600
Ratio-Cost/3yrs Earns	9%	15%	2%

Source: van Tranh, 2008

Most Vietnamese migrants have three-year contracts, and their expected earnings as well as the cost of migrating vary significantly by destination. Migrants to Malaysia earn the least, \$10,800 over three years, while migrants to South Korea earn the most, \$30,600 over three years. The costs of migrating abroad are lowest for those going to South Korea, \$700 or two percent of expected earnings, but Korean employers expect migrants to work up to 10 hours a day, and abuse of migrants is reported to be common. Malaysia accepts twice as many Vietnamese migrants as Korea, but at wages that are only a third of Korean levels, so that migrants in Malaysia have far lower savings and remittances.

The Vietnamese Ministry of Labor, War Invalids and Social Affairs (www.molisa.gov.vn) has a Bureau for Overseas Labor Management to regulate labor supply companies, which since 1991 have been licensed to send migrants abroad. Decree 141/2005/ND-CP, issued November 11, 2005, regulates recruitment and foreign employment, establishes penalties of 20,000 to 20 million dong (\$1,300) for collecting excessive recruitment fees, being illegally abroad, and “running away” or abandoning a foreign work contract. It is very hard to regulate the brokers who work on commission for licensed recruiters in rural villages, as they go from house to house and making oral promises about earnings and work abroad.

There are many stories of migrants being tricked by recruiters. A typical news account explains that e.g. a young person in a rural area paid \$2,000 for a contract to work in Malaysia but received a tourist visa that did not permit work. When apprehended in Malaysia working illegally, migrants are fined and returned, the recruiters have disappeared. The fact that many migrants do not demand written contracts, and many believe oral promises, means that abuses are likely to continue until education of migrants and regulation of agents is improved (<http://ipsnews.net/migration/stories/exports.html>).

Vietnam had a five percent tax on remittances until 1997; when this tax was removed, formal remittances rose (GEP, 2006, 93). Like many other countries that send workers abroad, Vietnam allows returning migrants to import some goods duty free when they return from jobs abroad. Vietnam in 2006 taxed those earning more than five million dong (\$315) a month, but was considering lowering the income threshold to raise more taxes from lower earners, including migrants.

South Asian Migrant-Sending Countries

Labor migration from South Asia mostly involves workers going abroad on two-year contracts to the Gulf oil exporters, high variance in the share of women leaving to be domestic helpers, and heavy reliance on private recruiters in both sending and receiving countries. These labor migration patterns raise issues that range from irregular migration to the vulnerability of female domestic helpers.

The five major South Asia labor-sending countries sent over 1.5 million migrant workers abroad legally in 2005, led by India, which sent 549,000 migrants; Bangladesh, 253,000; Sri Lanka, 231,000; Nepal, 184,000; and Pakistan, 142,000.⁶² There were 24 million South Asians abroad in 2000, including nine million Indians (four million in the Gulf countries), almost seven million Bangladeshis (most in India, but three million in the Gulf countries), and 3.5 million Pakistanis abroad, including 1.5 million in other South Asian countries and almost a million in the Gulf countries. South Asian countries received US\$40 billion in remittances in 2007, led by US\$27 billion in India; US\$6.6 billion in Bangladesh; US\$6 billion in Pakistan; US\$2.5 billion in Sri Lanka; and US\$1.7 billion in Nepal.⁶³

South Asian countries are developing specialized agencies to promote and protect migrant workers. Sri Lanka in 2007 created a Ministry of Foreign Employment Promotion and Welfare (www.minfep.gov.lk), and both Bangladesh and Pakistan have similar specialized agencies to

⁶² Data from the Concept Note prepared for the ILO Regional Symposium on Deployment of Workers Overseas: A Shared Responsibility. Dhaka, Bangladesh: 15-16 July 2008

⁶³ Remittance data are from the World Bank's November 2008 release (www.worldbank.org/prospects/migrationandremittances, accessed December 7, 2008)

"market" their country's workers to foreign employers, process the contracts that allow them to go abroad legally, and regulate the recruiters who place most migrants in foreign jobs.

Bangladesh

Remittances are Bangladesh's second leading source of foreign exchange, after garments.⁶⁴ The number of migrants leaving Bangladesh averaged 250,000 a year between 2001 and 2006, rose to almost 400,000 in 2006, and doubled to 832,600 in 2007 (Malek, 2008); the government expects to send 900,000 workers abroad in 2008.

According to government data, 60 percent of Bangladeshi migrants leave on their own, 39 percent leave with the help of recruiters, and one percent leave via government and other channels. However, most of the 60 percent who leave "on their own" in fact leave with the help of recruiters who coach migrants to say they are leaving on their own, so that the government does not check the migrant's contract.

Bangladeshi migrants abroad often encounter problems. Many discover they do not have jobs once abroad despite contracts, while others are pressured to sign new contracts once abroad that offer lower wages than were stipulated in the contracts they signed before departure. Most Bangladeshi recruiting agents say that they are victims of foreign families and recruiters who sell them false sponsorships for jobs in Gulf oil exporting countries and keep the fees paid by employers, requiring them to charge migrants for passports, visas and travel. Bangladeshi recruiters locate workers to fill the (fictitious) jobs, charging each migrant for passports, visas, health checks and transportation, but the migrants can wind up in the Gulf in debt and in an irregular status.⁶⁵

⁶⁴ Garments generate the most foreign exchange, about \$8 billion a year, half of which are knitwear or ready-made garments. However, Bangladesh imports over \$5 billion worth of fabric, buttons and other inputs to produce garments, making the value added about 35 percent. Some 2.5 million mostly young women cut fabric, operate sewing machines, and sort garments six days and 48 hours a week for a base wage of 1,662 taka (\$24) a month, plus about \$10 a month in overtime pay. Most of the young women are from villages, and most work in garment factories less than four years

⁶⁵ There are also problems with the recruitment of Bangladeshis in Malaysia, which does not have a sponsorship system, suggesting that at least some of the recruitment problems are in Bangladesh. Some 15,000 Bangladeshis arrived in Kuala Lumpur with seemingly valid work contracts, and were stranded at the airport when no one met them. If Malaysian employers do not send someone to meet arriving migrants, the migrants are returned to their country of origin. Migrant advocates blamed the Malaysian government for allowing 20 recruiters to bring 300,000

The cost of migrating from Bangladesh to the Gulf is about \$1,200, half of which covers airfare and half covers passport and visa costs, health checks and required criminal check certificates. Most Bangladeshi male migrants pay \$2,000 for foreign jobs that offer \$200 a month or less, meaning that recruitment costs are equivalent to almost a year's salary on a typical two- or three-year contract. Bangladeshi women going to Gulf countries to be domestic helpers pay less, about \$850, and earn less, about \$150 a month, in part because some Gulf households prefer Muslim helpers.⁶⁶

Seen another way, each 100,000 Bangladeshi migrants deployed generates about \$80 million in recruitment "profits," so that reaching the government's goal of sending a million migrants a year abroad could generate \$800 million in recruitment revenues above the actual costs of sending workers abroad. Most Bangladeshi recruiters are private, and most recruitment payments are made by migrants in villages to sub-agents who are not licensed or registered and who do not issue receipts. Some Dhaka-based recruiters say they know nothing about the activities of subagents, who are usually residents of the village in which they recruit migrants and collect payments from them. A common recommendation to protect migrants is to require that receipts be issued for all payments made for labor migration.

Half of the Bangladeshis abroad in 2007 were classified as unskilled, a third as skilled, and 15 percent as semi-skilled; less than four percent were professionals. Bangladesh discourages women from working abroad, and lifted a ban on women going abroad to be domestic helpers in 2003. There are a number of government and private agencies that aim to provide skills training for Bangladeshis interested in foreign jobs, but the credentials they issue are often not recognized abroad.

India

India's Emigration Act of 1983 on Overseas Recruitment established "protectors of emigrants" (POE) offices and required Indians leaving for foreign jobs to obtain certificates from POEs

Bangladeshi migrants into the country in 2008, and the Bangladeshi government for not policing recruiters in that country. Baradan Kuppusamy, *Flawed Policy Results in Flood of Migrant Workers*, IPS, September 27, 2008.

⁶⁶Malek, Abdul. 2008. *Training for Overseas Employment*. Bureau of Manpower, Employment and Training, Dhaka. Paper prepared for the ILO Symposium on Deployment of Workers Overseas: A Shared Responsibility. July 15-16

before departure. However, 13 categories of persons, including those with 10 or more years of schooling, are exempt from this POE emigration-certificate requirement. India issues two types of passports— those for which an emigration check is required before departure and those that do not require an emigration check. Reformers would like to eliminate emigration-check-required passports, saying that POE checks add costs but few protections for migrants.

The 1983 Act also required recruiters to register and created three categories of recruiters based on the number of migrants sent abroad. There were 1,835 registered Indian recruitment agencies in 2007, and they pay service fees to the POEs that reflect the skill of the workers they send abroad.⁶⁷ The POE regulatory system sometimes leads to corruption and exploitation, as some POE offices work closely with favored recruiters and do not carefully check migrant worker contracts.

About two-thirds of Indian migrant workers leave from South India (20 percent each from Kerala and Tamil Nadu). Some 1.8 million Kerala residents are abroad, and remittances of \$5 billion a year are equivalent to 20 percent of Kerala state's GDP.⁶⁸ About a quarter of remittances to Kerala are spent on education, and educating residents who cannot find jobs locally reportedly spurs emigration, as unemployment in Kerala is almost 20 percent. Kerala is a state of 32 million with a per capita income of \$675, below the \$730 average for India.

A survey of Indian migrants found that 80 percent learned of foreign jobs from friends and relatives, they paid an average \$1,200 to migrate, and a third turned to money lenders to cover these pre-departure costs. Migrants using recruitment agents paid more, an average \$2,000, to cover the cost of the foreign work visa, passport, medical tests, insurance and the airfare to the job. About 60 percent of the jobs held by the Indians in the Gulf paid \$200 a month, making recruitment costs equivalent to six to 10 months' earnings.

⁶⁷ RRAs in 2007 paid 2,000 rupees (\$47) to clear the contract of an unskilled worker; 3,000 rupees for semi-skilled workers; and 5,000 rupees for skilled workers.

⁶⁸ A driver from Kerala employed in Qatar reported earning \$375 a month, five times the \$75 a month he earned in Kerala, but lamented that he sees his family only during one three-week vacation a year. Jason DeParle, "Jobs Abroad Support 'Model' State in India," New York Times, September 7, 2007

Sri Lanka

Sri Lanka is the smallest and richest of the major South Asian labor exporters, with 20 million residents, a labor force of about 7.6 million, and an estimated 1.6 million citizens abroad, mostly in the Gulf oil-exporting states. Like the other South Asian countries sending workers abroad, male Sri Lankan construction workers were deployed to Gulf oil-exporting countries to fill construction jobs in the mid-1970s. The number of Sri Lankan migrants and the share of women rose rapidly in the late 1980s and 1990s, as the Sri Lankan government promoted out-migration as a way to provide jobs in an economy distorted by a civil war.

Outmigration peaked at 231,000 in 2005, when almost 60 percent of the Sri Lankan migrants were women, most from rural areas and most finding their first wage-paying job in a foreign household. About 80 percent of Sri Lankan migrants go to four countries, Saudi Arabia, Kuwait, UAE, and Qatar.

Like other South Asian countries, the Sri Lankan government wants to send more skilled workers and fewer domestic helpers abroad, which translates into more men and fewer women. Kingsley Ranawaka, chairman of Sri Lanka Bureau of Foreign Employment, said "We want to reduce the number of women migrant workers mainly because of complaints we received from those in Middle East countries." The SLBFE reported 3,400 complaints from female migrants in the first half of 2008, most involving harassment, breach of contract and unpaid or underpaid salaries.

To help change the composition of its migrants, the Sri Lankan government created a Ministry of Foreign Employment Promotion and Welfare in 2007 and charged it with "promoting" foreign employment by undertaking marketing missions, upgrading the training of Sri Lankan workers seeking foreign jobs, and protecting migrants and their families. Sri Lanka has signed MOUs governing labor migration with Bahrain, Jordan, Korea, Kuwait and the UAE, and is negotiating MOUs with Japan, Malaysia and Saudi Arabia.

The creation of the MFEPW highlights the growing role of migration and remittances to the Sri Lankan economy. Remittances topped \$2.5 billion in 2007, making them almost 10 percent of Sri Lanka's \$27 billion GDP. Out-migration and remittances are generally welcomed, but some economists warn that the influx of remittances made the Sri Lankan rupee overvalued, closing garment factories and encouraging the women who were laid off to seek jobs abroad as domestic helpers.

Human Development Impacts of Migration

This section assesses the impacts of migration on human development in major migrant-sending and migrant-receiving countries in the Asian-Pacific region, including impacts on socio-economic indicators as well as political participation and human rights. The major points include:

- Migration theories have evolved from envisioning individuals comparing wages in two areas to comparing expected wages and including family or household factors in making decisions about whether to move. Potential migrants consider factors that range from the risk of no income at home and abroad to seeing work abroad as insurance in the event of crop failure and offering the fastest way to earn money to repay high-interest loans incurred for health and other emergencies.
- There is a relative shortage of high-skilled migrants and a relative surplus of low-skilled migrants available to fill foreign jobs. As a result, migrant rights in destination areas usually increase with an individual's level of education and skill.
- The human development impacts of migration that increase choices and opportunities for individuals are perhaps most noticeable among women, who may gain power in traditional households because of their foreign earnings or assume more decision-making responsibilities in households in which males are abroad. One universal tendency is for female migrants to direct more remittances to health care and education for their children.

Voluntary migration allows individuals and families to choose higher wage jobs in areas offering more opportunity, fulfilling a central tenet of Sen's (1999) concept of development as freedom.⁶⁹ The fundamental reason for international labor migration is that the global distribution of workers does not match the distribution of economic wealth at a time when communications and transportation revolutions establish bridges that enable more people to cross national borders. Voluntary migration generally results in economic betterment for migrants and the areas to which they move, but it is less clear whether the areas left behind benefit from sending some of their best and brightest residents abroad.

Most economists define development as an increase in real per capita income. Sen argues that development should increase the capability of human beings to achieve those things they value most. Higher incomes increase capabilities, and thus may be necessary for development, but higher incomes alone do not guarantee individuals the ability to influence political decisions that affect them, ensure good health, or provide adequate education systems. Development is both an economic and a political process, and Sen emphasizes the importance of good health care and education because, without them, people cannot develop their capabilities.⁷⁰

Sen's approach recognizes that there may be tradeoffs between capabilities. As the UNDP's 2000 Human Development Report emphasized, "scarcity of resources...often require us to prioritize concern for securing differing rights for the purposes of policy choice. Human development analysis helps us to see these choices in explicit and direct terms." (2000, 23). As outlined below, one of the trade offs in migration for individuals is whether to move to earn higher wages and a second-class status abroad or remain at home where wages are lower but the individual has full rights.

⁶⁹ Sen argues that freedom is a core component of development, and a key to accelerating development.

⁷⁰ Sen reviewed three philosophies for social justice, finding that each has merit but, if pushed to extremes, defies common sense. Utilitarianism aims for the greatest good for the greatest number in a community, but would tolerate persecuting a member of the community if persecution maximized community utility. Libertarianism aims to maximize individual rights, limiting them only to protect the community and raising questions about regulating health care and medicine or allowing markets to sort out winners and losers. The maximin principle aims to maximize the well-being of the poorest, which could lead to so much redistribution that the better off would reduce their work effort.

Theories of Migration

The modern economics of migration begin with Lewis (1954), who examined urban economic development with unlimited supplies of rural labor. Lewis explained how surplus rural workers could migrate and be absorbed in an expanding modern sector. Ranis and Fei (1961) formalized the Lewis model, so that two-sector models in which the active ingredient was the demand for labor in the destination area dominated the migration literature for decades.

The Lewis dual economy includes a capitalist urban sector and a noncapitalist rural sector. The capitalist sector hires labor and sells output for a profit, while the noncapitalist or subsistence sector does not use reproducible capital and does not hire labor for a profit. Labor is concentrated in the noncapitalist sector and, as the capitalist sector expands, there is rural-urban migration. Lewis assumed that rural labor is available to the urban economy in unlimited quantities at a fixed real wage, which may be zero, so that rural-urban migration does not reduce farm output but does raise urban output.

The Ranis and Fei model is based on the assumption that the supply of surplus rural labor will shrink with migration, and that the marginal value product of labor in the rural and urban sectors will soon equilibrate. Most computable general equilibrium models of international migration are based on the assumption that migration from lower-to-higher wage areas leads to a convergence in MVPs and wages that reduces incentives to migrate.

The fact that rural wages often remain lower than urban wages despite significant rural-urban migration prompted Todaro (1969) to highlight imperfections in urban labor markets as a reason for continued migration. Instead of comparing wages in two areas, migrants in Todaro models compare expected wages, and move if the expected higher urban wage exceeds the rural wage—urban areas are assumed to have both higher wages and higher unemployment rates. Todaro was able to explain why rural-urban migration continued high urban unemployment.

The Todaro model is frequently used in empirical research despite well-known shortcomings, including the assumptions that high-wage jobs are allocated by lottery rather than networks. It also ignores the informal sector in high-wage areas that serves as a sponge for migrants seeking high-wage formal jobs and neglects influences other than expected wages in migrant decisions.

The new economics of labor migration shifts the focus from the individual to the household or family, and expands the goals of this larger unit from maximizing earnings to include minimizing risks and compensating for missing markets for capital and insurance (Stark and Bloom, 1985). The new economics of labor migration emphasizes that migrants retain links to the households in which they used to live, and that the risks and uncertainties in origin and destination areas can prompt migration, remittances, and insurance. For example, in order to migrate abroad, an individual may need funds to pay recruitment or smuggling costs, which may require the family to sell or mortgage land. Once in a higher-wage area, the migrant may remit funds to help the family repay the debts incurred to migrate, to help the family educate children or receive health care, and to ensure that, in the event of injury or layoff, the family will welcome him/her home.

The new economics of labor migration introduced a number of motivations for migration other than higher wages. One line of research emphasizes the riskiness of incomes in farming areas, showing that sending an older son or daughter to an urban labor market at home or abroad can minimize the risk of no farm income in the event of crop failure (Stark and Levhari, 1982). Another line of research emphasized that, if some people in a community migrate and are able to obtain more consumer goods, a sense of relative deprivation may encourage others to migrate so that they can buy the goods available with remittances (Stark and Taylor, 1989).

Finally, migration may help farmers to overcome market failures, as when they want to expand operations but cannot find a low-cost source of capital because of a lack the records banks need to assess risks. In such circumstances, migration may be the quickest way to obtain the capital needed for expansion. This same lack of capital may prevent the poorest households from sending migrants to higher wage areas, and is one reason why there may be a migration hump, or initially more migration from rural areas as they become richer (Martin, 1993). The increased availability of household data in migrant-sending areas has generated a dramatic increase in the number of empirical studies that attempt to measure expected wage and other factors that influence individual and household migration decisions.

Migrant Numbers and Rights

A major challenge in the Asia-Pacific region is how to weigh the tradeoff between migrant numbers and migrant rights, especially for governments seeking to send more workers abroad. There is often an asymmetry in the rights extended to high- and low-skilled migrant workers that reflects supply and demand parameters. There are relatively few highly skilled workers, which means that employers seeking them generally persuade host governments to admit them with families and often a path to settlement. There are far more low-skilled migrant workers, which means that employers sometimes offer them lower wages than they pay to local workers, and many host governments restrict their rights to settle.

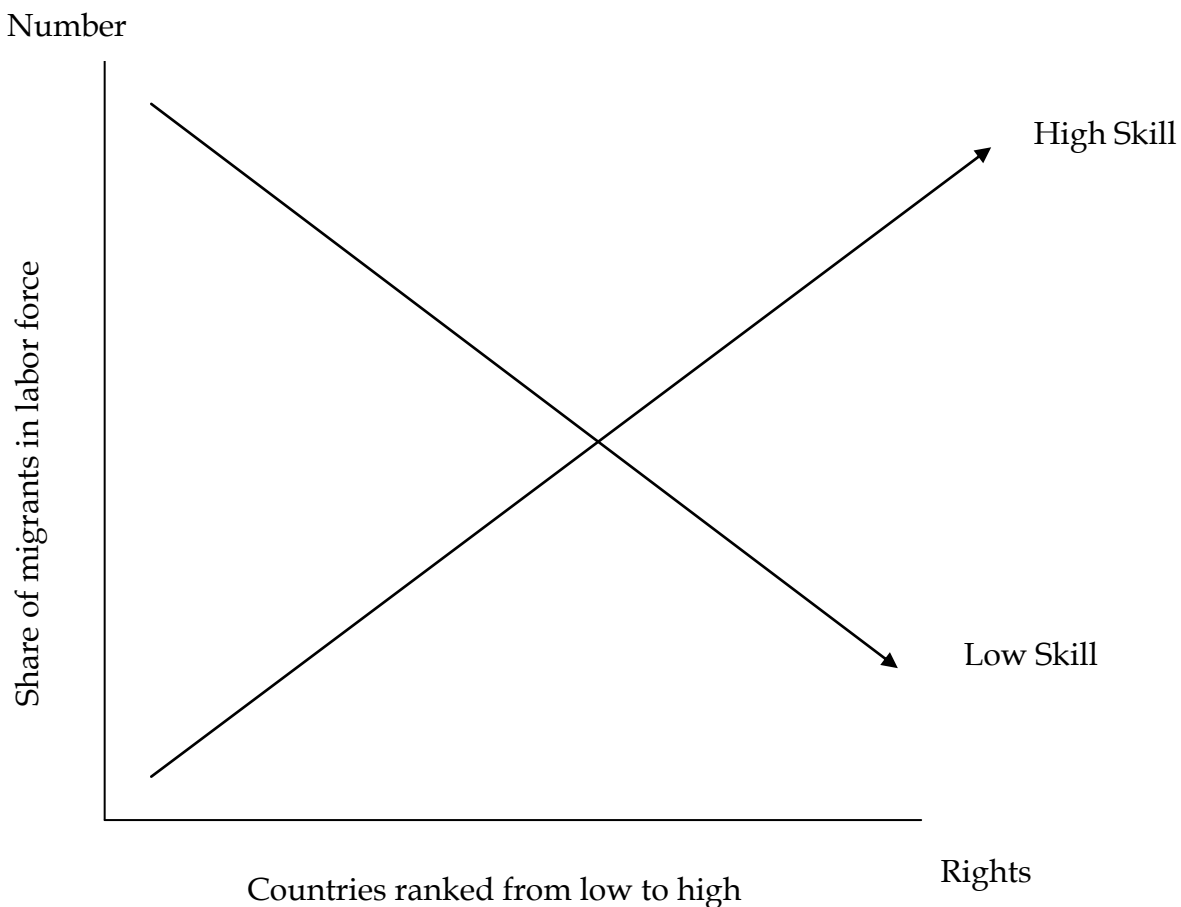
The international migrant rights regime does not make distinctions between high- and low-skilled migrant workers. However, the bedrock principle of migrant rights conventions, equality of treatment, may lead a tradeoff between migrant rights and migrant numbers, especially in low-skill labor markets. Given a negatively sloped demand for labor, equal rights for migrants that raise labor costs mean more rights that increase labor costs can decrease the demand for migrant workers. Debates during the WTO's GATS negotiations over whether migrant service providers must be paid minimum or equal wages in the countries in which they work highlights this numbers and rights dilemma.

The demand for labor is negatively sloped, meaning that more workers are hired at lower wages. More rights for workers generally increase labor costs, whether rights reflect minimum wages, work-related benefits, or workplace issues such as safe work equipment. As a result, there can be a tradeoff between the number of workers hired and their rights. This trade off is familiar in minimum wage debates—there is often opposition to higher minimum wages from those who assert that the result will be fewer jobs. If there is an excess supply of low-skilled migrants eager to work in high-wage countries, extending more rights to them may raise their cost and result in fewer admissions.

In the figure below, countries on the X-axis are arranged from those that offer fewer to those that offer more rights to temporary foreign workers; the share of migrants in their labor force is on the Y-axis. The line connecting numbers and rights for low-skill migrants is shown as negatively

sloped, reflecting the fact that the countries with the highest shares of temporary foreign workers in their labor forces offer among the fewest rights. By contrast, the line connecting numbers and rights for professionals is positively sloped to suggest that countries wanting more health-care and IT professionals must usually offer them more rights, such as the right to move with their families and settle.

Figure 1 Migrant Numbers and Rights



The reason for negatively and positively sloped lines connecting migrant numbers and rights reflects supply and demand. For both high- and low-skilled migrants, the demand for labor is negatively sloped, meaning that more workers are hired at lower wages. Many labor rights have costs, as with minimum or equal wage laws, employer payments for work-related benefits, and

the provision of safe work equipment. As a result, there can be a tradeoff between the number of workers hired and their right to equal wages, benefits, and safety.

Many government policies at least implicitly acknowledge that they must offer more rights to attract highly skilled migrants, as is evident in the “success” of the US H-1B program and the “failure” of the German green-card program to attract foreign IT workers.⁷¹ Among low-skill migrants, the extremes may lie in comparisons of Scandinavian countries, which have very few guest workers, and the Gulf countries, where over 90 percent of private sector workers are migrants.

Instead of 1960s-style rotation of guest workers, 21st century discussion of how to move low-skilled migrants in and out of host countries emphasizes circular and life-cycle approaches to migration. Circular migration schemes usually give sending-country governments some role in selecting migrants, guarantee migrants who return at the end of seasonal contracts the right to go abroad again next year, and sometimes link labor migration opportunities with sending-country cooperation to accept the return of apprehended foreigners and to discourage illegal outmigration.

Circular migration programs have been embraced by those who want to increase movements of low-skilled workers from poorer to richer countries. They have proposed that migrants post bonds before departure that are forfeited if they do not return, involve sending-country governments in repatriation, and blacklist individuals, families and villages from opportunities to work abroad if someone does not return as required. Similarly, life-cycle approaches to migration emphasize including sending-country governments in efforts to persuade migrants to return and to re-integrate into their countries of origin.

⁷¹ The US H-1B program admits foreigners with renewable three-year visas who can be sponsored by their employers for immigrant visas during the six years they can remain in H-1B status. The attestation admissions process is easy, although the certification procedure to obtain an immigrant visa is more difficult. Employers request more than twice the 85,000 H-1B visas that are available each year; most are Indians employed in IT. The German green-card program between 2000 and 2003 allowed up to 20,000 non-EU foreigners to be employed in Germany for three to five years. Fewer than 20,000 were issued, in part because there was no straight path to permanent residence status. Higher earnings requirements and language may also have played roles in reducing the inflow of foreigners into Germany.

Migrant Rights and Empowerment

Migration usually increases choices and opportunities for people who move. Migrants moving from lower to higher wage areas usually have higher incomes and more spending power, which they can exercise in the destination or upon their return to their areas of origin. The migration experience can also have other effects, positive and negative, on origin and destination areas. For example, migrants can spark entrepreneurship in destination areas, as they spot opportunities for new businesses, or help to bring about political and cultural change in sending areas, as when returned migrants press for more transparent government and women assume enhanced economic and political roles.

Most migration in the Asia-Pacific region is temporary or contract labor migration, not settlement migration (the major exceptions are immigration to Australia and New Zealand and the immigration of professionals to Singapore). This means that the effects of migration on human development are more likely to be found in countries of origin rather than in countries of destination, since most migrants are expected to return. Unlike the focus on integration indicators such as unemployment, earnings, and the political participation of immigrants and their descendants in North America and Europe, migrant human development indicators in the Asia-Pacific region center on migrants who use remittances to achieve upward mobility.⁷²

Multilateral Agreements

There are two noteworthy efforts to develop multilateral agreements to protect the rights of migrant workers and enhance their development impacts in the Asia-Pacific region. Leaders of the 10 ASEAN countries signed a Declaration on the Protection and Promotion of the Rights of Migrant Workers January 13, 2007 in Cebu, Philippines that commits migrant-sending and -

⁷²For example, there are no indexes similar to the Migrant Integration Policy Index that was developed for 28 European countries to assess opportunities for the 20 million non-EU nationals living legally in the 27-member EU (plus Canada). MIPEX assesses integration in areas ranging from family unification to political participation (www.integrationindex.eu). Some 140 country policies were ranked from 0 to 100, with 100 considered “best practice.”

Labor market access was considered best practice if non-EU foreigners had their credentials recognized in the recipient country quickly, were eligible for training and unemployment benefits if laid off, and can join unions and change jobs. Sweden and southern European countries ranked highest on the MIPEX labor market access indicator, scoring 85 or more, France, Germany, and Ireland were in the middle, scoring 50, and Poland was near the bottom, scoring 25.

receiving states to cooperate to “resolve the cases of migrant workers who, through no fault of their own, have subsequently become undocumented...[but] Nothing in the present Declaration shall be interpreted as implying the regularization of the situation of migrant workers who are undocumented.” (www.aseansec.org/19264.htm).

The ASEAN Declaration calls on migrant-receiving states to protect the “fundamental human rights” of migrant workers and to “promote fair and appropriate employment protection, payment of wages, and adequate access to decent working and living conditions for migrant workers.” Migrant-sending states are asked to “enhance measures related to the promotion and protection of the rights of migrant workers” and “establish and promote legal practices to regulate recruitment of migrant workers.” The ASEAN Declaration is not legally binding on ASEAN member states and does not require governments to change their labor laws. Instead, an ASEAN Socio-Cultural blueprint is to establish strategic action plans to be achieved by 2015, including progress on migrant rights.

The Colombo process (www.iom.int/jahia/Jahia/policy-research/pid/820) began as an effort in 2003 by countries sending migrant workers to Gulf Cooperation Council countries to improve protections for their citizens, to share data, and to increase the benefits of labor migration to countries of origin. Several destination countries joined in 2005, and in January 2008, 20 migrant-sending countries joined the GCC migrant-receiving countries and South Korea in endorsing the Abu Dhabi Dialogue on Temporary Contractual Labor, which laid out a life-cycle approach to managing circular labor migration. With the support of the UAE, pilot projects in 2009 between the UAE and India and the Philippines aim to improve four key aspects of contract labor migration, viz, recruitment, employment abroad, preparation for return, and reintegration (www.iom.ch/jahia/Jahia/cache/offonce/pid/1674?entryId=20224).

About three million “contract workers” arrive in the Gulf Cooperation Council each year. The pilot projects aim to improve conditions for migrants employed in UAE construction, hospitality, and health care jobs in the four stages of the “migration life cycle.” Migrants, who are to be protected from “excessive recruiting fees,” are to receive enforceable contracts in a language they understand at one-stop shops that also provide orientation before departure.

Once in the UAE, migrants are to have access to a hotline in their language to obtain information and register complaints. UAE governments are to develop effective systems to monitor wages and working conditions and resolve employer-migrant disputes, including those that require the migrant to change employers.

UAE government agencies are to identify workers whose contracts are expiring, run publicity campaigns to encourage workers to return and not become unauthorized, and cooperate with sending-country governments to advise migrants what they can expect upon return. Sending-country governments pledged to cooperate to encourage returns and offer counseling and opportunities to invest in migrant areas of origin.

The United Arab Emirates is a group of seven semiautonomous states with a population of 4.4 million, including 80 percent foreigners. These migrants fill virtually all private sector jobs, are building modern cities expected to include the world's tallest skyscrapers.⁷³ Some \$2 trillion in construction projects were underway in 2008.

There were 3.1 million migrant workers employed by 260,000 firms in the UAE in April 2008; most were construction workers. Some 30,000 migrant workers employed by Arabtec Holding, the largest construction firm in Dubai, went on strike in November 2007, and returned to work after a 20 percent wage increase. Worker protests continued in 2008 because of low and nonpayment of wages, especially as the value of the migrants' dollar-denominated wages declined with the US dollar (the UAE dirhan is linked to the US dollar). Most migrants earn \$200 to \$250 a month, and found they could save less than anticipated because of rising prices in the UAE. Meanwhile, their remittances bought less in India and other sending countries as the value of migrant-sending country currencies rose.

The life-cycle pilot projects arose in response to the UAE's heavy dependence on migrants and the worker protests. The life-cycle policy involves sending-country governments more closely in managing migrants, and has been linked to other UAE policies, including a June 2008 pledge by Abu Dhabi to build dormitories and apartments for up to 800,000 "limited-income workers," including laborers, cleaners, technicians and housekeepers. The announcement continued: "All

⁷³ Two Burj (tower) projects were underway in 2008, one expected to top 2,300 feet and another 3,281 feet (one kilometer). Currently, the tallest building in the world is Taipei 101 in Taiwan, which is 1,671 feet high.

utilities will be provided, there will be air conditioning and everything needed for decent living conditions will be available." Since 2006, UAE employers may not require migrants to work between 12:30 and 3 pm during July and August. However, the UAE does not have a minimum wage for migrant workers.

Women and Children

A high share of migrants leaving Asian countries are women. The opportunity to earn money abroad, often far more than men who remain earn at home, has empowered some migrant women by allowing them to escape paternalistic family structures or domestic violence (Ehrenreich and Hochschild, 2003; Gamburd, 2000). Rural women going abroad to work, often earning their first wages, usually report more control over family spending. One result of female financial empowerment is that the share of family spending on health care and education tends to rise, although both men and women often make improved housing a first priority in spending migrant remittances.⁷⁴

The fact that remittances, especially from women abroad, increase spending on the health care and education of children suggests that the human development impacts of migration must be sought in the long term rather than the short term. Theodore Schultz (1963) argued that the best way to help the rural poor was to educate their children so that they could achieve more than their parents.⁷⁵

Evaluating the effects of migration on human development in Asia may require examining the mobility of the children of migrants. We found no longitudinal studies comparing the children of migrants and non-migrants in major migrant-sending countries such as the Philippines, and none that compared the effects on children of having male and female migrants abroad.

The human development effects of migration on the children of migrants are mixed. Many Asian women care for children or the elderly abroad while leaving their own children in the care of

⁷⁴ VanWey (2004) finds that women remitting to their families in rural Thailand tend to have more altruistic motives for migration, while men often remit to fulfill the terms of explicit or implicit contracts.

⁷⁵ Schultz won the Nobel prize in economics in 1979. He was greatly influenced by the rapid recovery of Germany and Japan after WWII, emphasizing that education makes people productive and good health makes the education investment viable.

husbands or relatives at home. The result is a trade off for the children of migrants. Migrant families have more resources to invest in children, but the children in migrant households lack the benefits of having their mothers readily available during critical development years. The impact of migration to provide care to others rather than care for children at home is hotly debated among those examining global care chains (Yates, 2005).⁷⁶

Political Participation

Most Asia-Pacific governments sending workers abroad have agencies charged with protecting migrants during recruitment and responding to those in need abroad. The effectiveness of these agencies is often a subject of dispute between local NGOs and governments, with NGOs often critical of government migrant-protection efforts, especially in migrant-sending countries such as Bangladesh and Indonesia. Piper (2007) argues that NGOs must pressure government agencies to fulfill their mandates.

In some migrant-receiving countries in the Asia-Pacific, migrants have formed organizations to protect their interests, notably Filipino domestic helpers in Hong Kong. However, in most Asia-Pacific countries, there are restrictions on the ability of foreign migrants to form advocacy organizations, so that NGOs led by citizens often take the lead in protecting migrants. These organizations are sometimes pressured by host-country governments.

An oft-cited example involves Irene Fernandez, director of the Malaysian migrant rights organization Tenaganita (www.tenaganita.net). Fernandez published a memo in 1995 on Abuse, Torture and Dehumanized Conditions of Migrant Workers in Detention Centers, charging that the Malaysian government did not protect unauthorized migrants while they were being detained before removal. The Malaysian government alleged that the memo included falsehoods, and a court sentenced her to a year in prison in 2003. Fernandez appealed, and had the sentence vacated in 2008 after serious problems with the government's case, including lost evidence.

Malaysia has a People's Volunteer Corps (RELA) of 500,000 to help enforce laws, including laws against unauthorized foreigners. RELA volunteers, supervised by the Interior Ministry,

⁷⁶ The book edited by Ehrenreich and Hochschild (2003) includes essays on the "the female underside of globalization," emphasizing the growing role of foreign women in service jobs in richer countries.

wear green uniforms and yellow berets as they enter workplaces and homes without warrants and make arrests (after receiving permission from RELA leaders). Some carry firearms to ensure that the migrants they arrest accompany them to local police stations, where their work permits are checked. The wife of the Indonesian ambassador was arrested by RELA volunteers in 2007, which led to an official protest. Migrant activists say that RELA volunteers have become vigilantes, sometimes planting evidence to justify arrests of foreigners and often using excessive force.⁷⁷

Piper and Yamanaka (2007) put Malaysia and Singapore in the category of migrant-receiving countries that “severely curtail pro-migrant actions.” By contrast, Japan and Korea allow NGOs to aid migrants, including unauthorized migrants, despite public opinion that is often hostile to especially low-skilled foreigners. The most liberal migrant-receiving area is Hong Kong, where the “British colonial legacy” allows migrants “to openly pursue economic rights and collective actions.”

It should be noted that many residents of migrant-receiving countries in the Asia-Pacific region do not favor equal rights for migrants and want their governments to do more to reduce illegal migration. For example, there were competing demonstrations in Seoul Korea in November 2008, as migrants and their allies denounced the raids mounted by the government to locate unauthorized foreigners while several Korean civic groups called for more government action against unauthorized foreigners.

There is less evidence of activism involving returned migrants. We found no political parties or other collective entities representing returned migrants that press for fundamental changes in government migration, economic, or other policies in the major migrant-sending countries. For example, Filipino domestic helpers in Hong Kong are among the best organized migrants abroad, and the organizations representing them have been very active in demanding changes in laws and regulations in both Hong Kong and the Philippines that affect women while they are migrant

⁷⁷For more information on RELA, see the 2007 articles on Southeast Asia in Migration News (<http://migration.ucdavis.edu/>)

workers.⁷⁸ However, once Filipina women return, most lose contact with the NGOs that advocate on behalf of migrants.

Migrants settled abroad sometimes continue to participate in political affairs at home, which can speed or slow development and political change. One of the examples of a Diaspora accelerating political change at home involved the support of Filipino migrants for the removal of Ferdinand Marcos. Corazon Aquino, who replaced Marcos in 1986 as president, traveled to San Francisco soon after her inauguration and thanked Filipino-Americans for their contributions to the struggle for democracy. The Philippines has established a fairly complex system of incentives for its Diaspora to remain engaged in the Philippine economy and society, but does not have systems in place to evaluate their effectiveness.

Pacific Islands, GCC, Economic Contributions

This section explores recent developments in the Asia-Pacific region, including the recruitment of Pacific Islanders to fill seasonal jobs in Australia and New Zealand in a bid to speed development in migrant-sending islands, discussion of ending the sponsorship system in GCC countries, and efforts to estimate the economic contributions of migrants in countries where their presence is contentious, including in Thailand. The major points made in this section include:

- New Zealand and Australia are launching unique programs that include labor, migration, and development agencies and aim to fill seasonal farm jobs and promote development in the migrants' countries of origin
- GCC countries are re-examining the kafala sponsorship system that makes a local citizen responsible for each foreigner in the country but also leads to migrant abuse as sponsorships are sold to vulnerable migrants who go in debt to secure work contracts
- Migrants add mouths to feed and hands to work in destination countries. Their economic impacts in receiving countries are much debated. In industrial countries such as the US, it has been very hard to measure any wage depression or unemployment due to the presence

⁷⁸The third Filipino migrant workers' summit (www.migrants.net), held in Hong Kong in August 2008, concluded with demands on the Hong Kong government (raise the minimum wage and expanded labor protections), demands on the Philippine government (end fees to verify employment contracts and the Documentary Stamp Tax on remittances), and on the international community (stop the GFMD because it "commodifies labor.") United Filipinos in Hong Kong (www.unifil.org.hk) also advocates on behalf of Filipino migrants.

of low-skill migrants amid an ongoing debate about the best procedure to make such estimates. Middle-income developing countries such as Thailand are adopting similar methodologies, posing a danger that the results can be driven by the assumptions about whether migrant and local workers are substitutes or complements and how investment responds to the additional workers.

Pacific Island Guest Workers

New Zealand and Australia have launched guest worker programs with Pacific Island countries to fill seasonal farm jobs and to jump-start development in rural areas of small island economies. Under NZ's Recognized Seasonal Employers (RSE) scheme and Australia's Pacific Seasonal Workers Pilot (PSWP) scheme, poor residents of island nations are to be selected by employers or local governments to work seasonally in farm jobs, and government ministries devoted to development assistance are involved with labor and migration ministries in program administration. The programs are too new to evaluate their development impacts, but are significant for aiming to achieve the win-win-win outcomes sought by the GFMD.

The New Zealand government on April 30, 2007 launched the Recognized Seasonal Employers (RSE) scheme to admit workers from Pacific Islands⁷⁹ to fill seasonal farm jobs. The RSE began with workers from five islands, and was extended to include the Solomon Islands in 2008; up to 8,000 foreign workers can be admitted under the RSE in the year ending March 31, 2009

(www.immigration.govt.nz/community/stream/employ/rse/).⁸⁰

The purpose of the RSE is to fill seasonal jobs in New Zealand and to promote development in the Pacific Islands, generating the win-win-win outcomes for migrants, sending- and host-nations fostered by the Global Forum on Migration and Development (www.gfmd2008.org).⁸¹ The World Bank has been a major proponent of temporary worker programs to speed economic

⁷⁹ The Pacific Islands have small populations, high fertility, and few natural resources. Women average 3.7 children in Tonga, and over a third of residents are under 15.

⁸⁰ Originally six islands were included--Samoa, Tonga and Tuvalu in Polynesia, Kiribati in Micronesia, and Fiji and Vanuatu in Melanesia. As part of the sanctions against Fiji after a military coup in December 2006, Fiji was dropped from the list.

⁸¹ NZ's immigrant selection system uses points to assess those wanting to migrate for employment; low-skilled workers willing to fill seasonal jobs tend to be excluded.

development in Pacific Islands, and the RSE is aimed at providing the remittances and returns needed to employ the rapidly growing work forces of the islands (Luthria et al 2006).

The New Zealand horticultural industry exports almost half of its NZ\$5 billion in annual output with the help of a peak 40,000 seasonal workers in March-April; 60 percent are hired in the Hawke's Bay and Bay of Plenty region (www.hortnz.co.nz/activityareas/seasonalwork.html). Employers who have been relying on the un- and underemployed, students, and Working Holidaymakers have been complaining of labor shortages as the horticultural industry expanded amidst a boom that reduced the supply of workers available to fill seasonal jobs. Employers complained of high turnover among too few workers, which led to losses from unpicked crops and discouraged the investment in worker training needed to raise productivity. A 2005-06 Seasonal Work Permit pilot program allowed visitors in NZ from visa-waiver countries to work up to nine months in areas with government-determined labor shortages.

Under the RSE, New Zealand employers must try and fail to recruit local workers before obtaining permission to recruit guest workers from the Pacific Islands, pay half of the cost of a return ticket for Pacific Island migrants, guarantee them work for at least 240 hours and 30 hours a week at the minimum wage of NZ\$12.10 (\$7) an hour, and provide them with housing, health insurance and pastoral care, such as transportation for banking and religious services. Guest workers must have passports, health checks, and police clearances and undergo pre-departure orientation before departing for New Zealand, where they can remain up to seven months (nine months from Kiribati and Tuvalu because of higher travel costs).

New Zealand employers can recruit Pacific Island workers directly, usually with the help of recruitment agents, or select workers from lists prepared by local governments. For example, the Tongan government used village committees rank the "work-ready" men and women who wanted to work in New Zealand by criteria such as honest and hard working and with some English (Gibson, et al, 2008).⁸² About 5,000 of Tonga's 67,000 working-age adults registered to work in New Zealand in 2008, representing 20 percent of Tongan men between 20 and 60.

⁸² Tonga had about 117,000 residents in 2007, when there are about 22,000 Tonga-born persons living in New Zealand. McKenzie surveyed Tongans selected by lottery to move to New Zealand between 2002 and 2005, and found that those selected were better off, but not their relatives who remained behind in Tonga.

Some 600 Tongans were in New Zealand in March 2008. Most were satisfied, but almost 10 percent left their jobs before the end of their contracts because there was not sufficient work.⁸³ One reason is that many NZ employers accustomed to hiring Working Holidaymakers, young people earning money while touring NZ, underestimated the productivity of Tongan workers and requested too many, and some of the Tongans who expected to work six days a week left early when work slowed and they were obtaining only 3-4 days of work a week.⁸⁴ There is a significant Tongan community in NZ, and if a Tongan seasonal worker does not return by the end of the contract, that village is blacklisted and unable to send seasonal workers to NZ in the future.

In Vanuatu, many New Zealand employers used private agents to recruit seasonal workers rather than relying on local government lists (McKenzie, et al, 2008). Most of those who came to New Zealand from Vanuatu were subsistence farmers with less than 10 years of schooling who had better-than-average English and more wealth. Thus, first reports suggest that the RSE is targeting the poorest in Tonga more successfully than in Vanuatu.

By mid-June 2008, some 5,100 RSE migrants were in New Zealand; almost 75 percent were in the Hawke's Bay and Bay of Plenty areas. The largest employer was approved to hire over 400 RSE migrants, but a third of the 75 farmers requested five or fewer RSE migrants (Ramasamy et al, 2008, 182).

Evaluations suggest the RSE is successful in filling NZ jobs, although there have been complaints of workers incurring living costs when there is no work and some employers setting piece rates so low that workers earn only the minimum wage rather than more. Piece-rate workers normally earn more than the minimum wage, giving them an incentive to work faster, but some NZ employers had to raise piece rates so that RSE workers received at least the minimum wage. The development impacts of the RSE are less clear. In Tonga, workers selected to go to New Zealand under the RSE were from poorer rural households who did not have wage

⁸³ Tonga has 17 districts, and there were reportedly at least two RSE workers from every Tongan district; 71 percent from Tongatapu, the island with two-thirds of all Tongans.

⁸⁴ Air travel costs between Tonga and NZ have dropped to \$275 or less, and some Tongans went home at their own expense when work slowed and returned to NZ when there was more work.

work at home, but it is not yet clear what impacts their remittances and returns will have on local development (Gibson et al, 2008, 203).

In September 2008, the New Zealand government announced that RSE migrants would be able to change employers while in New Zealand. One survey found that RSE migrants averaged 17 weeks of work in New Zealand and had average net earnings of NZ\$5,700 (\$3,400) after paying for half of the airfare and their living expenses in New Zealand. Employers say that, because most RSE migrants do not have experience picking fruit and harvesting wine grapes, they must invest in training--80 percent of the RSE migrants must return year-after-year to justify these training expenses.

The RSE was launched with the support of the World Bank, which urged Australia and NZ to develop temporary worker programs that include having employers and migrants share the cost of recruitment and travel, target selection in sending countries on the low-skilled, find the balance between a sufficient time abroad for migrants to achieve significant savings but not so long that they settle, and guarantee migrants who are good workers and obey program rules the right to participate in the future.

Australia plans its own Pacific Seasonal Workers Pilot Scheme. The government announced in August 2008 that up to 2,500 guest workers from Kiribati, Tonga, Vanuatu and Papua New Guinea could be employed to pick fruit in Victoria's Swan Hill region⁸⁵ and New South Wales' Riverina region for up to seven months a year. As in NZ, farm employers will pay half of the workers' round-trip transportation during the three-year trial. Farmers, who say they need 22,000 more seasonal workers, argue that up to A\$700 million in fruit rots each year for lack of labor to pick it.

With the PSWP, Australia will have a more diverse seasonal hired farm work force, including foreign Working Holidaymakers and students as well as recent immigrants and Australians.

⁸⁵ Reports from the Swan Hill area suggest that contractors match many foreign-born workers with jobs, and that some take advantage of workers who do not understand their rights. The minimum wage in the area for farm workers is supposed to be A\$17, but many contractors reportedly pay A\$12 and charge workers for housing and rides to work. Most contractors officially receive a five percent commission from the farms to which they supply workers, but many augment this commission with other charges levied on workers. Local reports say that larger farms run by investment partnerships are most likely to use reputable contractors.

Almost 135,000 Working Holidaymaker visas were issued in 2006-07, plus 250,000 visas to foreign students, most of whom can work 20 hours a week while they study. Working Holidaymakers are 18- to 30-year olds from industrial countries⁸⁶ who work up to six months for one employer while visiting Australia for up to 12 months; they may extend their stay another 12 months if they work at least three months in agriculture or construction in rural areas (regional Australia), which 8,000 did in 2006-07.⁸⁷

The New Zealand and Australian programs are too new to assess their development impacts, although Australian Trade Minister Simon Crean was quoted February 3, 2009 as saying that they hoped to expand the PSWP to become a broader, training and workers exchange mechanism. Sending- and receiving-governments clearly hope that these programs will provide jobs, savings, and potentially investment to Pacific Islands that need all three while filling seasonal jobs in countries that have had booming economies because of the global commodity boom. One concrete outcome of the NZ RSE is a reduction in money transfer costs, which were at least 15 percent of the amount transferred before the program began and have been reduced as governments requested bids for banks to offer dual ATM systems, so that deposits made in NZ could be withdrawn in Tonga and elsewhere in local currency at low cost.

There are development agencies and nonprofit employer coops involved in contracting Pacific Island workers, which could increase the development impacts of remittances and avoid turning labor contracting into a profit center. Matching remittances that are invested could help to create jobs that lead to stay-at-home development in migrant areas of origin. The largest NZ contractor, Seasonal Solutions Central Otago (www.jobscentral.co.nz), is an employer coop that can act as an employer of seasonal workers and transfer them from farm to farm, reducing down time for migrants.

There are also risks. The RSE and PSWP are structured to foster long-term relationships between farm employers and Pacific Island migrants who gain training and experience in seasonal farm work. A global economic slowdown could shrink job opportunities just as long lists of Pacific

⁸⁶Most Working Holidaymakers are from the UK, Canada and other commonwealth countries, plus South Korea, Taiwan, Japan and Hong Kong in Asia.

⁸⁷ Newspapers report that some working holiday makers do not do three months of farm work, and instead pay farmers to sign a form saying they have worked for the required three months.

Island workers prepare to go abroad. Wages are at least 10 times higher in Australia and New Zealand than at home, and returned workers may rest and wait for the next opportunity to earn high wages abroad rather than work at home, minimizing development. Finally, families who depend on remittances may reduce work efforts.

Gulf Countries Kafala

Most Gulf Cooperation Council (www.gcc-sg.org/eng/index.php) countries require foreigners to have a local sponsor (kafala) to enter and leave the country. Sponsors must pay the recruitment fees of the migrant workers, cover their health care needs, and obtain iqama or identity cards for them. Foreign workers are tied to their employer-sponsor, which means that they must have their employer's permission to change jobs or leave the country.

The six GCC members have high shares of migrant workers in private sector labor markets. Foreigners are a third of Saudi Arabia's 25 million residents, and foreigners outnumber citizens in Kuwait, the UAE and Qatar; Bahrain is the exception, with 51 percent citizens.

Table 16. GCC Labor Force, 2006

GCC Labor Force, 2006		
	2006	Per Dist
Bahrain	360	3%
Kuwait	1,331	10%
Oman	764	6%
Qatar	536	4%
Saudi Arabia	8,025	59%
UAE	2,647	19%
Total	13,663	100%
Source: GCC: A Statistical Glance April 2008		
http://library.gcc-sg.org/English/EPicShow.asp?mycover=43		

The kafala system has come under attack from migrant advocates who charge that obtaining permission from sponsors to change jobs or leave the country makes migrants overly dependent on their sponsors. Beginning in Bahrain, GCC governments have been discussing an end to the

kafala system. Bahraini Labor Minister Majeed Al Alawi on April 29, 2008 said that the sponsorship (Kafala) system would end in 2009 to curb human trafficking and to liberalize labor markets.

The problem with ending the kafala system is that many GCC residents benefit by charging \$1,000 or more for sponsorships. Most households in GCC countries are allowed to hire six or eight migrants in jobs ranging from gardener and driver to domestic helper. Even if they employ fewer household workers, some households allegedly sell sponsorships for all of the migrants they are permitted to employ, and sometimes more, so that arriving migrants wind up in debt and unauthorized.

Worker-paid recruitment fees rise as a share of earnings as skill levels fall, so that much of the debate over the kafala system involves foreign workers employed in private homes for \$200 a month or less. There are no reliable data on the number of domestic helpers. Human Rights Watch (2008, 15) estimated 1.5 million in Saudi Arabia in 2008 despite only 480,000 registered domestic helpers in the country, citing data from sending countries on deployments of domestic helpers and Saudi press reports of two million domestic helpers.⁸⁸

In GCC countries (and in most industrial countries), persons employed in private homes are excluded from labor laws that establish minimum wages, maximum hours, and other labor standards. A major goal of migrant advocates is to extend labor law protections to domestic workers, which a draft amendment to the Saudi labor law would do by requiring a maximum 12 hours of work daily and 72 weekly in private homes.

One proposed Saudi solution to abuses of the kafala system is to have recruitment agencies rather than employers be sponsors of migrant workers. The Saudi DOL reported there were 350 recruitment agencies in the country in 2008 and, noting that many have little capital, proposed reducing the number of recruiters to three and requiring them to post financial bonds for the migrants they sponsor. If implemented, migrant workers would be able to change employers in Saudi Arabia, but migrant advocates say they could still be vulnerable to abusive recruiters.

⁸⁸Indonesia reported at least 600,000 domestic helpers in Saudi Arabia, Sri Lanka 275,000, and the Philippines 200,000. There are also domestic helpers from India, Bangladesh, Ethiopia, and Eritrea in Saudi Arabia (Human Rights Watch, 2008, 16).

Kuwait has implemented a system that makes recruitment agencies the sponsors of migrant workers, reportedly with mixed results.

GCC households pay significant fees to local recruitment agencies to hire domestic helpers, gardeners, and other household help, typically equivalent to four to 12 months salary.⁸⁹ Most recruiting agents in GCC countries offer households 90-day guarantees, which means that if the first domestic helper is not satisfactory, she will be replaced at no additional cost to the employer. Many migrants report not being paid during their first three-months abroad to encourage them to stay with the employer to whom they have been assigned, since breaking the contract could mean going home with no wages (those who break contracts within 90 days to return home are to have their return airfare paid by the recruiter). Some domestic helpers report pressure from agents to stay in the household to which they were assigned by promising them that things will get better over time.

Kafala, domestic helpers, and abusive conditions in private homes represent a complex issue with no easy answers. GCC governments want the kafala system to ensure that citizens are responsible for the foreigners they bring into the country. Most domestic helpers are women in their first wage-paying jobs, and the fact that they are employed in private households rather than in factories or service establishments means that usual labor and social norms about work may not apply.

The most promising steps to minimize the abuse of foreign domestic helpers in private homes in GCC countries include modifying the kafala system to make recruiters solely or jointly liable for the migrant workers they bring into the country, strengthening the pre-departure training of women so they know their rights abroad, and providing more national and embassy- or consulate-related facilities to which abused domestic helpers can turn for assistance. Ultimately, development that empowers worker to say no to low wages and abusive conditions is the strongest protection.

⁸⁹ Kuwaiti domestic helper contracts report employer-paid fees of KD 250 (\$960), and salaries for SL domestic helpers of KD 45 to 50 a month, making fees equivalent to five months wages, while Saudi households pay more, 5,000 to 9,000 riyals (\$1,300 to \$2,340) to hire a domestic helper earning \$200 a month, making fees equivalent to a year's wages. Human Rights Watch (2006, 26) reported that Saudi employers paid \$750 to \$1,600 in fees to hire a domestic helper, Kuwaiti employers \$1,000 to \$1,100, and UAE employers \$450 to \$1,100.

Until development empowers workers who now migrate, several steps could improve wages and working conditions and increase the development impacts of migration. A major complaint of migrant workers in countries that require employers to pay recruitment fees, as in GCC countries, is that employers retain worker passports to discourage runaways, which makes migrants vulnerable to police harassment and may limit their ability to send remittances via low-cost formal channels. Sending countries could issue a second ID similar to the matricula consular card issued by many Latin American countries, and then negotiate agreements with regulated financial institutions to accept these IDs for banking and similar purposes, to lower remittance costs.

Many Asian countries would like to teach migrant caregivers more skills, such as emergency medical skills, and require foreign employers to pay these trained Supermaids higher wages. The Philippines' Supermaid program is widely discussed throughout Asia, since its \$400 a month minimum wage for women who provide child and elder care and have training in emergency medical care is at least twice the prevailing wage for domestic helpers in GCC countries. The \$400 minimum has increased salaries for many of the Filipino domestic helpers abroad, but the number of new deployments fell sharply, raising numbers and rights trade off issues.

Economic Contributions: US and Thailand

Migrants add workers to the labor force, thus increasing employment and economic output. Their presence affects economic and labor market conditions in the areas to which they move and their absence may be offset by remittances in their areas of origin.

This section examines the impacts of migrants in areas receiving them. The major points made include:

- First-wave US studies of the impacts of low-skilled migrants imagined cities to be closed labor markets, sought wage depression for US workers similar to the migrants, and did not find them.
- Second-wave studies assumed that internal migration diffused the effects of migrants throughout the US labor market, divided the US labor force into education and experience cells, and found that migrants depress wages for some low-skill workers if

migrants and US workers are assumed to be substitutes, and raise wages if they are complements

- Comparative statics estimates of the contributions of migrants to the Thai economy suggest that they add about the same share to GDP as their share of the labor force while largely complementing Thai workers

US Studies

Most economic research on the impacts of immigrants on labor markets and economies has focused on industrial countries, especially the US, which has about 38 million or 20 percent of the world's 191 million migrants. Demographers have converged on the number of unauthorized foreigners in the US, about 12 million (Passel, 2006), but economists have not reached consensus on the economic impacts of the roughly eight million in the US labor force.⁹⁰

In a simple two-factor production function with homogeneous labor and constant returns to scale, adding immigrants reduces wages in the short run (assuming full employment), but there is no change in the long-run return to labor and capital. If labor is heterogeneous, the arrival of immigrants has long-run distributional consequences, helping complementary workers and hurting those who are substitutes.

Studies of the impacts of migrants on receiving-area labor markets began with efforts to compare wage and unemployment rates in cities with more and fewer migrants. The hypothesis was straightforward: if adding more workers via migration puts downward pressure on wages, upward pressure on unemployment rates, or both, cities with more migrants should have lower wages or higher unemployment rates, especially for workers most similar to the migrants. However, Card's study (1990) of the Miami labor market after the 1980 Mariel boatlift found that the unemployment rate in Miami rose slower between 1979 and 1981 despite the sudden eight percent jump in the labor force than in comparison cities that did not attract additional migrant workers.

⁹⁰ For a non-technical explanation of the economics debate over the impact of immigrant in US labor markets, see Roger Lowenstein, "The Immigration Equation," New York Times, July 9, 2006

Three explanations were offered for the apparent gap between the theory that adding to the supply of labor puts downward pressure on wages and empirical studies that could not find migrant-depressing wage effects. First, migrants are mobile. If they move to cities that are adding jobs, then immigration, employment, and wages can rise together even if e.g. wages would have risen even faster in the absence of immigration. Second, US workers may move away from “migrant cities” or not move to them, spreading any negative effect of migrants on wages throughout the US labor market and making it hard to measure migrant effects in cities with high shares. Third, there may be measurement errors in city comparisons. For example, many of the studies focus on the wages or unemployment rates of Black workers, who in “migrant cities” may be disproportionately employed by government, sheltering their wages from immigrant competition

Borjas (2003) emphasized that adding to the supply of labor puts downward pressure on wages, following traditional comparative statics analysis. Because of US worker mobility, Borjas believes that migrant impacts on local workers must be assessed at the national level rather than in comparisons of cities with more and fewer migrants. Using a 3-level CES production function, Borjas grouped workers into four education and eight work experience groups, viz, less than high school, high school graduate, some college, and college graduates, with work experience measured in five-year increments. Borjas estimated that the wages of all US workers fell about 3.4 percent between 1980 and 2000 as a result of immigration in the short run, but only high-school dropouts experienced significant wage drops in the long run, down almost five percent even after capital adjusted to the larger labor force (Borjas and Katz, 2005).

Other researchers have extended this approach of grouping workers by their education and work experience to estimate the impacts of migrants on local workers in particular age and experience groups. Ottaviano and Peri (2007) extended the Borjas approach in two ways: they allowed migrants and US-born workers to be complements within education and age cells, and they allowed capital to adjust to the availability of additional workers in the short run. Using the same basic age and experience model, they find that migration has positive rather than negative effects on the wages of US workers. However, the fact that US workers wages rise with immigration means that the wages of previous migrants in the same education and work experience cell fall significantly.

The first phase of US studies of migration's labor market impacts involved comparisons of cities with more and fewer migrants, with the major result that there were few negative effects of immigrants on US-born workers. The current phase involves separating US- and foreign-born workers within education and experience cells and estimating the effects of foreign-born on US-born workers. If US- and foreign-born workers are assumed to be substitutes, and if capital is assumed to be fixed, there are significant negative wage effects. However, if foreign-born workers are complements to US-born workers, and if capital is allowed to adjust to the larger labor force, the wages of US-born workers rise in most education-experience cells, but there are significant drops in immigrant wages as immigrants compete with each other.

Thai Studies

There are few studies of the impacts of migrants on the economies of developing countries. However, debates over migration in Thailand prompted several exploratory efforts to assess the economic impacts of migrants there.

The Thai labor force of 36 million in 2007 included 1.8 million migrants, five percent. The migrants were concentrated by area, industry, and occupation, with most in low-skilled jobs in Bangkok and the southern areas of Thailand in agriculture and fisheries, construction, manufacturing, and services such as domestic workers. The number of migrants and the range of occupations, industries, and areas in which they are employed have been increasing.

In 1995, when 750,000 migrants were 2.2 percent of the Thai labor force, the Thailand Development Research Institute (TDRI) estimated that migrants increased Thai GDP by one-half of one percent, contributing \$839 million of the then \$168 billion Thai GDP at current prices, and \$600 million of then \$120 billion Thai GDP in 2000 constant dollars (Sussangkarn, 1996). If the 1995 SAM-CGE relationships remained valid in 2005, when migrants were five percent of the Thai labor force, the migrant contribution would be 1.25 percent of Thai GDP, \$2 billion at current prices or \$1.8 billion in 2000 constant dollars.

Another way to estimate the contributions of migrants to Thai GDP is to estimate the value added by migrants in each sector of the economy and make assumptions about the average output of each migrant. If 25 percent of migrants are in agriculture, 15 percent in fisheries, 40

percent in industry (including construction), and 20 percent are in services, and if migrants are half as productive as the Thais employed in these sectors, migrants would account for 3.1 percent of Thai GDP in 2005. If migrants were equally productive, their contribution would double to 6.2 percent of GDP.

In most cases, migrants complement Thai workers, as when migrants on fishing boats increase the productivity of Thai boat captains, boat builders, and others in upstream and downstream industries. There may also be instances of substitution between migrants and Thai workers, as when construction firms hire migrants rather than Thais because the migrants are willing to work more hours or months and at lower wages. Most analysis suggests that migrants fill jobs that became less desirable as Thais gained more options in a growing economy, including migrating abroad. In some cases, “migrant jobs” were created by subsidized foreign and domestic investments, most notably in agriculture and garments in Thai provinces along the Burmese border.

Thailand has the problem of managing migrant workers because its economic success enabled internal migrants who once filled low-skill jobs to find better opportunities in Thailand or abroad. Thai employers turned to migrants from Myanmar, Laos, and Cambodia to replace previous internal migrants as well as to fill newly-created jobs in Thailand’s expanding economy. Thailand’s migrant worker policies assumed that the need for migrants would be short-lived despite periodic re-registrations of migrants that demonstrated that some occupations, industries, and areas had become “structurally dependent” on migrants.

Internal Migration

This section deals with internal rural-urban migration in the Asia-Pacific region. Between 1950 and 2000, the number of Asians living in urban areas increased five-fold, from about 230 million to 1.2 billion, and the United Nations projects that over half of Asians will live in urban areas by 2030 (UN, 2002). In 1950, less than 20 percent of Asian residents lived in urban areas, and rates of urbanization were similar across regions. Urbanization is expected to proceed fastest in East Asia and slowest in South-central Asia, with significant differences between regions by 2030.

Table 17. Urban Residents in Asia, 1950, 2000, 2030 (mils)

	1950	2000	2030
Asia	230	1,254	2,441
Eastern Asia	121	617	1,065
South-central Asia	83	441	969
Southeastern Asia	26	196	407
Urban Share of Total Population (percent)			
	1950	2000	2030
Asia	17	35	52
Eastern Asia	18	42	63
South-central Asia	17	30	44
Southeastern Asia	15	38	56

Source: United Nations, 2002

Perhaps the most studied internal migration underway is in China. At least 10 percent of Chinese are internal migrants, some 130 million, meaning they are living and often working away from the place in which they are registered. Most have moved from rural areas in the center and western parts of China to cities and coastal provinces in the east.

The Chinese government introduced the hukou household registration system in the 1950s, first to allocate grain and later to regulate internal migration (Chan, 1999). As a result, Chinese are generally registered in their place of birth, and it is often difficult to change registration from one place to another. Especially low-skilled migrants may find it difficult to access to government services that range from housing to education to health care when they are away from the place where they are registered-- access to public services is generally confined to the place in which the hukou says the individual is registered.

In 1978, before market reforms began, about 70 percent of Chinese were employed in agriculture, which generated 28 percent of GDP. By 2006, only 43 percent of the 760 million Chinese workers were employed in agriculture, which generated 12 percent of GDP. Most estimates find that up to half of the 327 million agricultural workers in China are redundant. However, many "surplus rural workers" are over 40 and less attractive to urban employers than younger rural-urban migrants.

There is an economic reason to move from rural to urban China. In 2006, urban residents had an average income of 10,500 yuan (\$1,400), compared with 3,300 yuan (\$440) in rural areas. About 350 million Chinese, a quarter, had urban hukous in 2008, while 950 million had rural hukous. However, the Ministry of Housing and Urban-Rural Construction reported that 45 percent of Chinese, about 600 million people, lived in cities in 2008, reflecting significant rural-urban migration. Not all of those who are living in urban places while registered in rural places are workers—estimates of the number of persons registered in rural areas and working in urban areas in 2008 range from 150 million to 200 million. The number of rural-urban migrant workers has been rising—it was about 30 million in 1982, 54 million in 1995, and 140 million in 2004.

Most of the 110 million workers employed in Chinese manufacturing are internal rural-urban migrants, as are most of China's construction workers. About 70 percent of China's internal migrants are between 15 and 35. Migrants earn lower wages than urban residents, an average 540 yuan (\$80) a month in 2004, compared to 1,350 yuan for registered urban residents. Remittances from urban to rural China are estimated to exceed \$80 billion a year. With more couples migrating, more children are left with relatives in rural areas. In 2008, an estimated 58 million children under 17 lived in rural areas without either parent.

The Chinese central government has been debating whether to loosen or abolish the hukou system. The National Development and Reform Commission (NDRC) in January 2008 recommended that the household registration system be ended within five years so that internal Chinese migrants have the same benefits in employment, education, healthcare and housing as local residents. The NRDC, which said a "free flow" of migrants from rural to urban areas would maintain rapid economic growth, estimated that 43 percent of China's 1.3 billion residents lived in cities, including 200 million rural-urban migrants.

However, the most recent review by the Ministry of Public Security in 2005 concluded that local governments would have to extend to migrants the right to housing, education and health care, which would cost money. The central government recently ordered urban schools to accept migrant children and not charge fees for K-9 education. However, some urban schools levy other fees, prompting some migrant parents not to enroll their children in regular public

schools.⁹¹ Cui Chuanyi, a rural development researcher at the State Council, China's Cabinet, said in 2007 that "Very few migrants sever their ties to the farm, not because they don't want to move but because their human rights in the cities are not protected."

Some local governments are making it easier for rural-urban migrants. Shenzhen, which has 2.1 million registered residents and eight million migrant workers, in July 2008 became the first Chinese city to offer "citizenship" to migrants. Residents ages 16 to 60 who have been living in the area at least 30 days but are registered elsewhere can obtain 10-year residence certificate smart cards that allow them to apply for driving licenses and business visas to visit Hong Kong or Macao. Children of residence certificate cards will be able to go to local public schools, and their families can apply to live in low-cost public housing.

China is often called the world's factory, reflecting the huge quantities of toys, clothes and other goods assembled in urban and coastal factories, often by migrant workers.⁹² China's government wants its factories to move up the value ladder, and is encouraging them to do so by introducing and enforcing tougher labor and environmental standards and reducing tax breaks for low-end assembly operations. Industries targeted to move up the economic ladder include software and biotechnology, automobiles, medical devices and supercomputers.

Unions have become more active among migrant workers. The All-China Federation of Trade Unions reported in October 2008 that 210 million of the 900 million rural Chinese were rural-urban migrants, and 65 million migrant workers were members of ACFTU unions. The ACFTU reported a total 209 million members, up from 170 million in 2007 due to a summer 2008 campaign to persuade more foreign firms to recognize ACFTU unions, including Wal-Mart

⁹¹Fees for unofficial primary school in urban areas are often \$25 or \$50 a month. Current law requires high-school students seeking to attend college to take entrance exams in the place they are registered to live. Most children who move to urban areas with their parents reportedly drop out of school.

⁹² The World Bank recalculated China's GDP in December 2007, concluding it was lower than previously estimated. The new calculations put per capita GDP at \$1,721 in 2005, or \$4,091 at purchasing-power parity, largely because prices in China are closer to world levels than was previously believed. Critics said that the new estimates rely too much on the assumption that prices in rural China reflect prices on the fringes of Chinese cities. If rural prices are lower than the new data assume, the World Bank will have reduced its estimate of China's GDP too much. The number of poor people in China was raised from 100 million to 300 million by the new World Bank estimates. In mountainous and desert regions, and in areas dominated by ethnic minorities, many rural people are poor, such as the part of southern Henan Province. Henan Province has 100 million residents, more than any other, and produces mostly grains rather than higher profit fruits and vegetables and fish. Many officials assume that rural families can live off remittances sent by family members who migrated to coastal provinces next door to work in factories producing goods for export.

(83,000 employees in China), and Yum Brands (160,000 employees in China). The share of foreign firms with unionized employees rose from 50 percent to 90 percent between 2007 and 2008.

A combination of factory closures and rising grain prices may reverse rural-urban migration in 2009. Some 10 million migrants laid off from their urban jobs returned to their rural homes in December 2008, well before the usual Chinese New Year return period. The Year of the Ox begins on January 26, 2009, and many of the migrants who return to their villages for the holidays may remain there if they do not have urban jobs to which they can return. The Chinese government urged some laid-off migrants to remain in cities and retrain for new jobs, and announced stimulus policies to maintain urban economic growth and jobs.

Conclusions

The number of international migrants—people living outside their country of citizenship—reached 191 million in 2005, meaning that three percent of the world's people had left their country of birth for a year or more. The number of migrants is likely to continue increasing because of demand-pull factors in receiving countries, supply-push factors in sending countries, and networks that create communications and transportation infrastructures and allow migrants to learn about opportunities abroad and move to take advantage of them. Trying to manage migration by adjusting migrant rights, as when governments make it harder to apply for asylum or restrict migrant access to welfare benefits, can violate fundamental human rights and encourage smuggling and trafficking in people.

Every one of the world's 200 countries participates in the international migration system as a destination for migrants, a country through which migrants transit, or an area of origin--many participate in all three ways. Most migrants do not move far from home, and each of the world's continents has a migration system with unique characteristics, including the large number of unauthorized migrants in the US, the unexpected settlement of guest workers in Europe, and the very high shares contract foreign workers in private sector labor markets in the oil-exporting countries in western Asia.

The migration system in the Asia-Pacific region is unique in several respects. First, there are relatively fewer migrants than in Europe or North America, reflecting the fact that most destination countries are not open to immigrants and that in very large countries what may be international migration elsewhere is internal migration, as in China. Second, Asian labor-receiving countries have very different policies toward low-skill migrants, ranging from Singapore's strict regulation of low-skill migrants considered to be workers while employed in the country to Japan's use of foreign trainees to the Gulf countries reliance on local sponsorship and contracts to rotate migrants in and out of destination areas. Third, the major labor-sending countries seek to send more skilled migrants to destinations outside Asia in a bid to improve protections and increase remittances.

Migration is usually a journey of hope. The higher earnings achieved by most Asian migrants are generally positive for human development, enabling individuals and their families to improve their housing and levels of consumption as well as to invest in the health and education of their children. Women are the majority of migrants leaving many Asian nations, and their foreign earnings often empower them in traditional rural societies. However, returned migrants rarely form political organizations that advocate changes that may make migration unnecessary in the future. Instead, migration acts more often as a safety valve in labor-sending countries.

Labor migration is a process to be managed, not a problem to be solved. Experience demonstrates that there is no universal best way to manage labor migration, but there are universal principles that can protect the human rights of migrants and local workers. Policies that adhere to fundamental principles and are flexible enough to change with circumstances offer the most promise.

This means that destination governments that acknowledge migrants are likely to continue to be employed in the medium term and create mechanisms to involve the social partners in the development of a transparent migrant worker policy and promote cooperation with migrant countries of origin are most likely to reap the benefits of migration while protecting the rights of migrants and local workers. In labor-sending countries, governments that aim to protect their nationals during recruitment and while abroad from unscrupulous agents and employers, and

cooperate to reduce the cost of remittances, can help to maximize the human development impacts of the window of opportunity opened by migration.

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